

# 1NPR

## Form 1NPR instructions

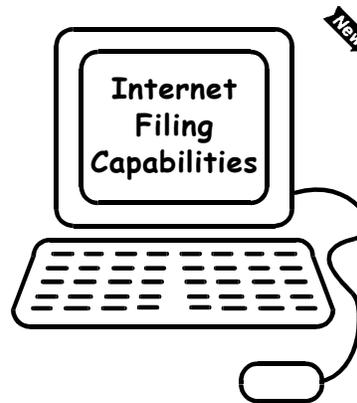
'98

### Wisconsin income tax for nonresidents and part-year residents

#### Here's what is for 1998

-  **To protect your privacy**, social security numbers are no longer used on mailing labels.
  -  **All taxpayers benefit** from reduced income tax rates.
  -  **An increased property tax/rent credit** will benefit eligible taxpayers.
  -  **Tuition Expense** A deduction of up to \$3,000 is available for tuition paid to attend many universities, colleges, or technical colleges. See page 15.
  -  **Illinois Wages** Individuals earning any wages in Illinois while a Wisconsin resident need to indicate that amount for a required research study. See page 6.
- See  instructions for additional tax changes.

Visit our website at [www.dor.state.wi.us](http://www.dor.state.wi.us)



-  ♦ *Link to an internet filing service*
- ♦ *Download state income tax forms and tax publications*
- ♦ *Find answers to Frequently Asked Questions*

#### Tax Filing Tips

- ♦ Check and double check your math.
- ♦ Attach a complete copy of your federal tax return and any other required schedules.



#### Call For Help ...

Telephone help numbers and office locations in your area are on **Page 4**.

#### FEDERAL PRIVACY ACT

In compliance with federal law, you are hereby notified that the request for your social security number on the Wisconsin income tax return is made under the authority of Section 71.03(6)(a) of the Wisconsin Statutes. The disclosure of this number on your return is mandatory. It will be used for identification purposes throughout the processing, filing and auditing of your return and the issuance of refund checks.

**Filing Deadline is  
Thursday, April 15, 1999!**

#### REFUND INQUIRY

You may check the status of your refund 24 hours a day, by calling 608-266-8100 or 414-227-4907 or use our **NEW** on-line service at [www.dor.state.wi.us](http://www.dor.state.wi.us). Have your social security number and the exact amount of your expected refund available.

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### General Instructions

#### Am I a resident, a nonresident, or a part-year resident?

The following will help you decide.

**Full-year resident** You are a full-year resident if you are domiciled in Wisconsin for all of 1998.

**Nonresident** You are a nonresident if you aren't domiciled in Wisconsin for any part of 1998.

**Part-year resident** You are a part-year resident if you are domiciled in Wisconsin for part of 1998.

#### What is domicile?

Your domicile is your true, fixed, and permanent home where you intend to remain permanently and indefinitely and to which, when absent, you intend to return. It is often referred to as "legal residence." You can be physically present or residing in one locality but maintain a domicile in another. You can have only one domicile at any time.

Your domicile, once established, is never lost unless all three of the following occur or exist:

- You specifically intend to abandon your old domicile and take actions consistent with such intent, and
- You intend to acquire a new domicile and take actions consistent with such intent, such as those listed in question 7 of the questionnaire which is page 4 of Form 1NPR, and
- You are physically present in the new domicile.

Your domicile does not change if:

- You leave your home state for a brief rest or vacation, or
- You leave your state of domicile to complete a particular transaction, perform a particular contract, or fulfill a particular engagement, but you intend to return to your state of domicile whether or not you complete the transaction, contract, or engagement (for example, migrant workers).

**Armed forces personnel** If you were a Wisconsin resident on the date you entered military service, you are considered a Wisconsin resident during your entire military career unless you take positive action to change your domicile to another state as described in the section on page 2 entitled "What is domicile?". For more information, get Publication 104, *Wisconsin Taxation of Military Personnel*, from any Department of Revenue office.

**Aliens** If you are considered a nonresident alien for federal tax purposes for the entire taxable year, you are considered a nonresident of Wisconsin. If you are considered a resident alien for federal tax purposes for all or part of the tax year, you may be either a resident or nonresident of Wisconsin as follows:

- If you are a lawful permanent resident of the United States and you intend to remain permanently in Wisconsin, you are considered a Wisconsin resident. You are a lawful permanent resident of the United States at any time if you have been given the privilege, according to the immigration laws, of residing permanently in the United States as an immigrant. You generally have this status if the Immigration and Naturalization Service (INS) has issued you an alien registration card, also known as a "green card."
- If you are a nonimmigrant (have not been granted immigrant status by the INS), you are considered a nonresident of Wisconsin. **Exception** If you are a refugee or have been granted asylum and you intend to remain permanently in Wisconsin, you are considered a Wisconsin resident.

**Example** A foreign student in this country with an "F" visa under the Immigration and Nationality Act may be classified for federal tax purposes as a nonresident alien or as a resident alien depending on his or her intended length of stay in this country. Regardless of the student's alien status, the student maintains his or her domicile in his or her homeland. The student is considered a nonresident of Wisconsin. A student with an "F" visa cannot become domiciled in Wisconsin.

### Must I file a return?

If you are a nonresident or part-year resident of Wisconsin and your gross income (or the combined gross income of you and your spouse) is \$2,000 or more for 1998, you must file a Wisconsin return.

**Gross income** means all income (before deducting expenses) reportable to Wisconsin which you received in the form of money, property, or services. It doesn't include items which are exempt from Wisconsin income tax, such as U.S. government interest.

**Other filing requirements** Even if your gross income is less than \$2,000, you must file a Wisconsin income tax return if:

- You can be claimed as a dependent on another person's income tax return (for example, on your parent's return) and you have gross income of more than \$700 which included at least \$251 of unearned income. Unearned income includes interest and dividends which are reportable to Wisconsin.
- You owe a Wisconsin penalty on an Individual Retirement Account (IRA), annuity, or other retirement plan or on a medical savings account.
- You are subject to the Wisconsin alternative minimum tax.

**Note** Even if you don't have to file, if you had Wisconsin income tax withheld from your wages or you paid estimated tax for 1998, you should file a Wisconsin return since this is the only way to get a refund. (Complete lines 1 through 29 of Form 1NPR, fill in a -0- on line 35, and complete lines 55, 56, 63, and 64.) If you are a

resident of Illinois, Indiana, Kentucky, Michigan, or Minnesota, see exception under line 1 instructions on page 8.

### What income does Wisconsin tax?

**Full-year residents** Wisconsin taxes your income from all sources.

**Nonresidents** Wisconsin taxes only your income from Wisconsin sources.

**Part-year residents** During the time you are a Wisconsin resident, Wisconsin taxes your income from all sources. During the time you aren't a Wisconsin resident, Wisconsin taxes only your income from Wisconsin sources.

### What is income from Wisconsin sources?

Income from Wisconsin sources includes:

- Wages, salaries, commissions, and other income for personal services performed in Wisconsin (see exception under line 1 instructions on page 8).
- Rents and royalties from tangible property located in Wisconsin, such as land, buildings, and machinery.
- Gains or losses from sales or other dispositions of tangible property located in Wisconsin, such as land, buildings, and machinery.
- Profits or losses from businesses, professions, and farm operations conducted in Wisconsin, including sole proprietorships, partnerships, and tax-option (S) corporations.
- Income from the Wisconsin state lottery, a multijurisdictional lottery if the winning lottery ticket or lottery share was purchased from a Wisconsin retailer, or Wisconsin pari-mutuel wager winnings and purses.
- **New** Winnings from a casino or bingo hall located in Wisconsin and operated by a Native American tribe or band.

### Which form should I file?

If you are a nonresident or part-year resident of Wisconsin in 1998, you must file Wisconsin Form 1NPR.

If you are a full-year resident of Wisconsin in 1998, you may file Wisconsin Form WI-Z, Form 1A, or Form 1. Read the instructions for those forms to figure out which one is right for you. Those forms aren't in this booklet. You can get Form WI-Z, Form 1A, and Form 1 from any Department of Revenue office.

**Exception** If you are a full-year Wisconsin resident but your spouse isn't, and you are filing a joint return, you must file Form 1NPR.

### When should I file?

You should file as soon as you can, but not later than **April 15, 1999**. If you file late without an extension, you are subject to interest at 1.5% per month, late filing fees, and penalties.

**Farmers and fishers** (persons who earn at least two-thirds of their gross income from farming or fishing) who don't make payments of estimated income tax (Wisconsin Form 1-ES) must file their 1998 Wisconsin income tax returns and pay any tax due by March 1, 1999, to avoid interest for underpayment of estimated tax.

**Need more time to file?**

If you need an extension of time to file your return, you do not have to do anything until you actually file your Form INPR. The following extension of time to file options are available.

1. If you have an extension for filing your federal return, this automatically gives you a Wisconsin extension provided you attach a copy of your federal extension application to your Form INPR.
2. If you are allowed an automatic 2-month extension for filing your federal return because you are outside the United States and Puerto Rico on April 15, 1999, or an extension because of service in a combat zone, this automatically gives you a Wisconsin extension. Attach a statement to your Wisconsin return explaining how you qualify.
3. If you need a Wisconsin extension but will not be getting a federal extension, your Wisconsin extension is still based on the federal extensions available. You will be allowed a Wisconsin extension if you attach to your Form INPR either (a) a statement indicating which federal extension provision you want to use for Wisconsin (e.g., automatic 4-month extension), or (b) a copy of the federal extension application form for the extension provision you want to use (e.g., federal Form 4868 if you want to use the automatic 4-month extension), with only the name, address, and signature areas completed.

**Note** Even though you may have an extension of time to file your return, you will owe interest on any tax not paid by April 15, 1999. If you expect to owe additional tax, you can avoid the 1% per month interest charge during the extension period by paying the tax you will owe by April 15, 1999. Submit the payment with a 1998 Wisconsin Form 1-ES. A copy of Form 1-ES is available at any Department of Revenue office.

**Where can I get help or additional forms?**

The Wisconsin Department of Revenue will answer your questions and provide forms. Contact any of the following department offices:

Madison – 4638 University Ave. (zip code 53702-0001)  
income tax information (608)266-2772 or (608)266-2486  
forms requests (608) 266-1961

Milwaukee—State Office Bldg., 819 N. 6th St. (zip code 53203-1682)  
income tax information (414) 227-4000  
forms requests (414) 227-4440

Appleton – 265 W. Northland Ave. (zip code 54911-2091)  
telephone (920) 832-2727

Eau Claire –State Office Bldg., 718 W. Clairemont Ave.  
(zip code 54701-6190)  
telephone (715) 836-2811

Offices open on a limited schedule (generally Mondays) are Baraboo, Beaver Dam, Elkhorn, Fond du Lac, Grafton, Green Bay, Hayward, Hudson, Janesville, Kenosha, LaCrosse, Lancaster, Manitowoc, Marinette, Marshfield, Monroe, Oshkosh, Racine, Rhinelander, Rice Lake, Shawano, Sheboygan, Superior, Tomah, Watertown, Waukesha, Waupaca, Wausau, West Bend, and Wisconsin Rapids. The Department of Revenue also has offices in Los Angeles, California; Chicago, Illinois; Minneapolis, Minnesota; and New York, New York.

**Fax** To receive tax forms and publications by fax, call the department from the telephone connected to your fax machine at (608) 261-6229.

**Internet address** <http://www.dor.state.wi.us>

**Hearing-impaired people** Phone help is available for hearing-impaired people who have TTY equipment. Call (608) 267-1049 in Madison or (414) 227-4147 in Milwaukee. These numbers are to be used only when calling with TTY equipment.

**Can I get more information about the Wisconsin income tax law?**

We have publications which give detailed information about specific areas of Wisconsin tax law. You can get the following publications from any Department of Revenue office.

**Number and Title**

102	Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders
103	Reporting Capital Gains and Losses for Wisconsin
104	Wisconsin Taxation of Military Personnel
106	Wisconsin Tax Information for Retirees
109	Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 1998
111	How to Get a Private Letter Ruling From the Wisconsin Department of Revenue
113	Federal and Wisconsin Income Tax Reporting Under the Marital Property Act
114	Wisconsin Taxpayer Bill of Rights
117	Guide to Wisconsin Information Returns
120	Net Operating Losses for Individuals, Estates, and Trusts
121	Reciprocity
122	Tax Information for Part-Year Residents and Nonresidents
125	Credit for Tax Paid to Another State
126	How Your Retirement Benefits Are Taxed
205	Do You Owe Wisconsin Use Tax?
400	Wisconsin's Temporary Recycling Surcharge
503	Wisconsin Farmland Preservation Credit
600	Wisconsin Taxation of Lottery Winnings
601	Wisconsin Taxation of Pari-Mutuel Wager Winnings

**Questions about refunds-call (608) 266-8100 in Madison or (414) 227-4907 in Milwaukee or visit our Internet Website**

Allow at least 10 weeks for your refund to arrive after we receive your complete return. If you must contact the Department of Revenue about your refund, please wait at least 10 weeks after filing your Form INPR. Call the number indicated above or write to: Department of Revenue, P.O. Box 8903, Madison, WI 53708. When calling, be sure to have your social security number and the dollar amount of your refund available.

If you call from a touch-tone telephone, an automated response is available 24 hours a day, seven days a week. Operator assistance is available Monday through Friday from 7:45 a.m. to 4:15 p.m.

 You may also obtain information about your refund through our Internet website at <http://www.dor.state.wi.us>.

Before starting your Wisconsin Form 1NPR, fill in your federal return and its supporting schedules. If you aren't required to file a federal return, list the types and amounts of your income and your deductions on a separate sheet of paper and attach it to your Form 1NPR.

Follow these line instructions to fill in your Form 1NPR. Prepare one copy to file with the department and another copy for your records.

**Name and address** If your booklet has a mailing label with your name on the front cover, remove the label and place it in the name and address area of the tax return that you file. If your name or address is wrong, correct the label by drawing a line through the incorrect information and printing the correct information clearly on the label. If you are married and you and your spouse are filing a joint return, check that your spouse's name is also on the label. Don't use the label if it has someone else's name on it instead of yours and your spouse's, if married.

If you didn't receive a label, print or type the information on the lines provided. If you are married and you and your spouse are filing a joint return, fill in your spouse's name on the line provided (even if your spouse didn't have any income).

**Social security number** Fill in your social security number in the space provided on Form 1NPR. Also fill in your spouse's social security number if married filing a joint return.

**Note** You must fill in your social security number even though you may be using the mailing label from the cover of your tax booklet.

If you are an alien who has been issued an Individual Taxpayer Identification Number (ITIN) by the federal Internal Revenue Service, fill in your ITIN wherever your social security number is requested on your return.

**State election campaign fund** You may designate \$1 to this fund by checking the box. If you are married, your spouse may also designate \$1 to this fund. Checking the box will neither change your tax nor reduce your refund.

**School district number** *Nonresidents* – don't fill in this line. *Part-year and full-year residents* – refer to page 31 in this booklet. Fill in the number of the school district in which you lived on December 31, 1998, or before leaving Wisconsin.

**Tax district** *Nonresidents* – don't fill in these lines. *Part-year and full-year residents* – check the proper box and fill in the name of the Wisconsin city, village, or town and the county in which you lived on December 31, 1998, or before leaving Wisconsin.

**Filing status** Check one of the boxes to indicate your filing status for 1998. If more than one filing status applies to you, choose the one that will give you the lowest tax.

If you obtained a decree of divorce or separate maintenance during 1998 or are married and will file a separate return (including a married person filing as head of household), you should get Publication 109, *Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 1998*, for information on what income you must report.

**Single** You are considered single if, on December 31, 1998:

- You were never married, or
- You were legally separated under a **final** decree of divorce or separate maintenance, or
- You were widowed before January 1, 1998, and did not remarry in 1998.

**Nonresident aliens filing federal Form 1040NR** You can't consider yourself single if you were married but lived apart from your spouse. This isn't the same as federal law.

**Married filing joint return** Most married couples will pay less tax if they file a joint return. You and your spouse may file a joint return if:

- You were married as of December 31, 1998, or
- Your spouse died in 1998 and you did not remarry in 1998, or
- Your spouse died in 1999 before filing a 1998 return.

A husband and wife may file a joint return even if only one had income or if they did not live together all year. Both spouses must sign the return, and both are responsible for any tax due on the return. This means that if one spouse does not pay the tax due, the other may have to.

You can't file a joint return if either you or your spouse were a nonresident alien at any time during 1998. You also can't file a joint return if you and your spouse have different tax years.

**Exception** If at the end of 1998 one spouse was a nonresident alien or a dual-status alien and the other spouse was a U.S. citizen or a resident alien, you may be able to file a joint return. In order to file a joint return, you must elect to treat the nonresident alien spouse as a U.S. resident. If you do file a joint return, you and your spouse must report your combined worldwide income as your federal income. (**Note** Even though electing to be treated as a U.S. resident, the nonresident alien spouse is considered a nonresident of Wisconsin.)

If you file a joint return, you can't, after the due date of the return, change your mind and file a separate return for 1998.

**Married filing separate return** Even though a joint return usually produces the lowest tax, you and your spouse may be among the few married couples for whom separate returns are better. This will require the filing of two returns, one for you and one for your spouse.

If you file a separate return, print or type your spouse's full name and social security number on the line provided.

If you file a separate return, you and your spouse can change your minds and file a joint return within four years after the unextended due date of the return.

**Head of household** To use this filing status for Wisconsin purposes, you must qualify to file your federal income tax return using the head of household filing status. Use of this filing status is generally restricted to unmarried individuals, but certain married persons who lived apart from their spouses for the last 6 months of 1998 may also qualify. See the instructions for your federal return for complete details. If you are not required to file a federal return, contact any Department of Revenue office to see if you qualify.

If your federal filing status is qualifying widow(er) with dependent child, use the head of household filing status for Wisconsin.

**Resident status** Check one of the boxes to indicate your resident status in 1998. See the definitions on page 2.

If you are married and you and your spouse had different domiciles in 1998, check one of the boxes to indicate your resident status. Also, check one of the boxes to indicate your spouse's resident status in 1998.

For example, if the husband was domiciled in Wisconsin from January 1 through October 15, 1998, but the wife was domiciled in Wisconsin for all of 1998, you would indicate this as follows:

- Full-year resident of Wisconsin - wife
- Nonresident of Wisconsin
- Part-year resident of Wisconsin from  
1/1 to 10/15 (month/day) - husband

**Legal residence (domicile) questionnaire** If you changed your domicile from Wisconsin during 1997 or 1998 and you did not previously complete a questionnaire for that change, fill in the questionnaire on page 4 of Form 1NPR.

**Compensation earned in Illinois** Under the reciprocity agreement that Wisconsin has with Illinois, a Wisconsin resident is not subject to the Illinois income tax for compensation earned as an employee in Illinois. The section above line 1 on Form 1NPR relates to compensation covered under this agreement. The information is needed so that the two states can measure the revenue impact of the reciprocity agreement. The information that you provide will not affect your tax.

The types of compensation covered under the reciprocity agreement include wages, salaries, tips, commissions, bonuses, fees, or other employe earnings in Illinois.

If you and/or your spouse, while a Wisconsin resident, earned compensation in Illinois that is covered under the reciprocity agreement, check the "yes" box on the form and write in the amount(s) of compensation. If only a portion of your compensation was earned in Illinois, write in that amount. If you do not know the actual amount, you may estimate it based on the percent of work time spent in Illinois. If neither you nor your spouse earned compensation in Illinois, check the "no" box.

Types of compensation covered under reciprocity include compensation for work done:

- at an employer's location in Illinois, such as at an office, factory, restaurant, store, clinic, or similar place of employment.
- as an employe at various locations in Illinois, such as a job site, construction site, or a customer's location.

Types of compensation **not** covered under reciprocity include compensation you received:

- as an interstate truck driver, railroad worker, or airline employe if you worked in more than one state and under federal law cannot be taxed by Illinois.
- from pensions, annuities, and unemployment compensation.
- from self-employment.
- from rental property.

**Line instructions** Form 1NPR has two columns for figures.

**Column A** is labeled "Federal column." In this column, lines 1 through 29, fill in the same amounts you reported on your federal return.

**Note** If you are filing federal Form 1040NR or 1040NR-EZ, fill in the amounts from each line on page 1 of these forms on the corresponding line on Wisconsin Form 1NPR. If there is no corresponding line on Form 1NPR for an income or adjustment item, include the income item on line 15, Form 1NPR and the adjustment item on line 26.

### Exceptions

- If you are using a different filing status for Wisconsin and federal purposes, the amounts you enter in column A cannot be taken from the federal return you file with the Internal Revenue Service. If you file a joint return for Wisconsin (but you're filing separate returns for IRS), report in column A the amounts you would report on a federal return using a married filing joint status. (For example, you reported \$15,000 of wages on your separate federal return and your spouse reported \$20,000 of wages on his/her separate federal return. If you file a joint Wisconsin return, report \$35,000 of wages in column A.) If you file separate returns for Wisconsin (but you're filing a joint return for IRS), report in column A the amounts you would report on a federal return using a married filing separate status. Thus, the figures in column A may not agree with the amounts shown on the federal return you file with the Internal Revenue Service.
- The federal income that you must use to complete column A of Form 1NPR may not always be the same as the amount reported on your federal Form 1040. Differences between federal and Wisconsin law may occur because Wisconsin generally uses the federal law as amended to December 31, 1997.

New federal laws enacted after December 31, 1997, may not be used for Wisconsin.

The following provisions of federal Public Laws 105-178 and 105-206, which were enacted during 1998 and affect a 1998 federal return, do not apply for Wisconsin.

- Changes in rules relating to the deduction (by employers) and exclusion (by employes) of meals an employer furnishes to employes.
- The provision which provides that hardship distributions received from a 401(k) or 403(b) retirement plan after December 31, 1998, may not be rolled over to any IRA.
- The limitation which provides that an employer may deduct accrued vacation or severance pay in a particular year only if the pay is actually received by the employe on or before 2 1/2 months after the end of the tax year.
- The exclusion of any nonfinancial customer paper from the definition of "security" for purposes of the mark-to-market accounting rules.
- The provision allowing employers to offer employes a choice between a qualified transportation fringe benefit and cash without causing the employe to lose the exclusion from income when the noncash transportation benefit (other than parking) is chosen.

Wisconsin law also provides that the following provision of federal law does not apply for Wisconsin (even though this provision was enacted into federal law prior to December 31, 1997):

- The exclusion for 50% of the gain from the sale or exchange of qualified small business stock issued after August 10, 1993, and held for more than five years.

If any provision of federal law which does not apply for Wisconsin affects your federal adjusted gross income, complete Wisconsin Schedule I and attach it to your Form 1NPR. The amount you fill in on lines 1 through 29 of Form 1NPR (and amounts filled in on Schedule 2 on page 3 of Form 1NPR) should be the revised amount from Schedule I. Schedule I is available from any department office.

To the extent Schedule I adjustments in a prior year affect income or expense items in 1998 (for example, ACRS depreciation was not allowed to be claimed on residential real property or certain farm property placed in service during 1986), you must also make adjustments on Schedule I for 1998.

You may also have to fill in Schedule I if you sold property during 1998, and the gain or loss from the sale is different for federal and Wisconsin purposes due to Schedule I adjustments made in a prior year. This would occur, for example, if you used different rates of depreciation or amortization for federal and Wisconsin purposes. See the instructions for Schedule I for more information.

**Column B** on Form 1NPR is labeled “Wisconsin column.” In this column, fill in the amounts that apply to Wisconsin.

Your federal income may include items which aren’t taxable or deductible for Wisconsin, or it may not include items which are taxable or deductible for Wisconsin. You may have to add or subtract these items from your federal income to arrive at the correct Wisconsin income.

Those differences between federal and Wisconsin income (called “modifications”) that may affect the amounts you report on more than one line of Form 1NPR are explained below. Differences that affect a particular line of Form 1NPR are explained in the instructions for that line.

**Modifications for differences between federal and Wisconsin income**

- **Differences in federal and Wisconsin basis of property** Are you depreciating (or amortizing) property, such as buildings or machinery, which has a different basis for federal and Wisconsin purposes? If so, you must complete Wisconsin Schedule T, Transitional Adjustments. Attach the completed Schedule T to your Form 1NPR. You can get Schedule T from any Department of Revenue office.

Did you sell (or otherwise dispose of) property that you are depreciating (or amortizing), such as buildings or machinery, which has a different basis for federal and Wisconsin purposes? If so, you must complete Wisconsin Schedule T, Transitional Adjustments. Attach the completed Schedule T to your Form 1NPR.

Did you sell (or otherwise dispose of) property that can’t be depreciated or amortized, such as land, stocks, bonds, or an

interest in a partnership, which has a different basis for federal and Wisconsin purposes? If so, you must complete Wisconsin Schedule T, Transitional Adjustments. Attach the completed Schedule T to Form 1NPR.

- **Differences in federal and Wisconsin reporting of marital property (community) income** Are you married and filing a separate return for Wisconsin purposes or were you divorced during 1998? If so, you may have to report a different amount of income on your Form 1NPR than on your federal return. For more information, get Publication 109, *Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 1998*, from any Department of Revenue office.
- **Medical care insurance** Did you pay medical care insurance costs during 1998 while you were self-employed or an employee whose employer did not contribute toward the cost of your medical care insurance? If yes, you may be able to subtract a portion of the cost of your medical care insurance.

“Medical care insurance” means a medical care insurance policy that covers you, your spouse, and dependents and provides surgical, medical, hospital, major medical, or other health service coverage. It does not include premiums you pay for:

- Long-term care insurance,
- Life insurance policies,
- Policies providing payment for loss of earnings,
- Policies for loss of life, limb, sight, etc.,
- Policies that pay you a guaranteed amount each week for a stated number of weeks if you are hospitalized for sickness or injury, or
- The part of your car insurance premiums that provides medical insurance coverage for all persons injured in or by your car.

If you participate in your employer’s fringe benefit cafeteria plan and agree to a voluntary salary reduction in return for a medical care insurance benefit, you may not consider the amount of your salary reduction an amount you paid for medical care insurance. In this situation your employer is considered to have paid for your medical care insurance. Such programs may be known as, for example, flexible spending accounts, employe reimbursement accounts, etc.

Complete the following 3 steps to figure your subtraction.

**Step 1** If you are an employe whose employer did not contribute toward the cost of your medical care insurance, complete Worksheet 1. If you are self-employed, complete Worksheet 2.

<b>Worksheet 1 – Employes</b>	
1. Amount you paid for medical care insurance in 1998, but do not include amounts paid during any period in which your employer contributed toward the cost of the insurance . . . . .	1. _____
2. Fill in one-half of the amount on line 1 . . . . .	2. _____

Worksheet 2 – Self-Employed Persons	
1. Amount you paid for medical care insurance in 1998 while you were self-employed . . . . .	1. _____
2. Amount of medical care insurance deducted on federal Schedule C or F for your employe spouse . . . . .	2. _____
3. Subtract line 2 from line 1 . . . . .	3. _____
4. Fill in the portion, if any, of the amount on line 28 of your federal Form 1040 which is attributable to long-term care insurance . . . . .	4. _____
5. Add lines 3 and 4 . . . . .	5. _____

**Step 2** Use the following formula to prorate the medical care insurance deduction.

$$\begin{array}{r} \text{Amount} \\ \text{from line 2 of} \\ \text{Worksheet 1 or} \\ \text{line 5 of of} \\ \text{Worksheet 2} \end{array} \times \frac{\begin{array}{r} \text{Net earnings from} \\ \text{a trade or business*} \\ \text{taxable to Wisconsin} \\ \text{Total net earnings} \\ \text{from a trade} \\ \text{or business*} \end{array}}{\text{Total net earnings}} = \text{Tentative deduction}$$

\* For a self-employed person, net earnings from a trade or business means income from self-employment, including ordinary income from a trade or business as reported on Form 4797, line 18, and less the deduction for one-half of self-employment tax. The total earnings from a trade or business of both spouses are included. Do not consider losses from a trade or business. For an employe, net earnings from a trade or business means wages, salaries, tips, and other employe compensation of both spouses.

**Step 3** Your subtraction for medical care insurance is the smaller of the tentative deduction computed in Step 2 or the amount of net earnings from a trade or business taxable to Wisconsin.

**Note** If you are claiming the medical care insurance deduction as an employe, see the “Modifications” section of the instructions for line 1. If you are claiming the deduction as a self-employed person, see the instructions for line 22.

**Rounding off to whole dollars** You may round off cents to the nearest dollar. You can drop amounts under 50¢ and increase amounts that are 50¢ or more to the next dollar. For example, \$1.39 becomes \$1 and \$2.69 becomes \$3.

■ **Line 1 Wages, salaries, tips, etc.**

**Federal column** Fill in the amount from line 7 of federal Form 1040 or 1040A, or line 1 of Form 1040EZ. If you filed your federal return using TeleFile, fill in the total wages, tips, and other compensation from Box 1 of your W-2(s).

**Wisconsin column** *Nonresidents* – fill in the amount received for working in Wisconsin (see **Exceptions** below). If that amount differs from your Wisconsin wages on your wage statement (Form W-2), attach an explanation of the difference and indicate where this income was earned. If you are retired on disability, do not fill in any disability income. *Part-year and full-year residents* – figure the amount received for working in and outside Wisconsin while a Wisconsin resident. Add to that figure the amount received for

Line 1 instructions – continued

working in Wisconsin while a nonresident. If the total differs from your Wisconsin wages on your wage statement (Form W-2), attach an explanation of the difference and indicate where this income was earned. If you are retired on disability, include the amount of disability income received while you were a Wisconsin resident.

**Exceptions**

- **Residents of Illinois, Indiana, Kentucky, Michigan, or Minnesota** Don’t include on line 1, column B wages earned while a resident of one of these states. Under agreements with these 5 states, Wisconsin doesn’t tax the wages of their residents. In the area to the left of line 1, write the name of the state of which you were a resident when you earned the wages.

If your only Wisconsin income is wages earned in Wisconsin while you were a resident of one of the above states, and you are filing to get a refund of Wisconsin tax withheld in error, fill in -0- on lines 1 and 28, column B. Fill in the amount of Wisconsin tax withheld from your wages on lines 55, 63, and 64. Attach your Wisconsin W-2(s) and sign your return (both spouses if filing a joint return). **Minnesota** residents must also submit Form W-222, Statement of Minnesota Residency, and a copy of their Minnesota income tax return. You can get Form W-222 from any Department of Revenue office.

- See the instructions for line 10 for information on the taxation of income received while a nonresident of Wisconsin from a nonqualified deferred compensation plan.

**Modifications**

- **Medical care insurance** If you are an employe whose employer does not contribute toward the cost of your medical care insurance, see page 7. Subtract your allowable medical care insurance deduction from wages otherwise taxable to Wisconsin. Attach an explanation of your deduction.
- **Disability income exclusion for part-year and full-year residents** Are you retired on permanent and total disability? If so, and you have included your disability income on your federal return, you may be able to subtract up to \$5,200 of your disability income.

You must meet all these tests:

1. You didn’t reach mandatory retirement age before January 1, 1998.
2. You were under age 65 on December 31, 1998.
3. You were permanently or totally disabled—
  - a. when you retired, or
  - b. on January 1, 1976, or January 1, 1977, if you retired before January 1, 1977, on disability or under circumstances which entitled you to retire on disability.
4. If you were married at the end of 1998, you must file a joint return with your spouse.
5. You were a Wisconsin resident when you received the disability income.
6. You did not in any year prior to 1984 choose to treat your disability income as a pension instead of taking the exclusion.

Line 1 instructions – continued

Figure your exclusion on Wisconsin Schedule 2440W, Disability Income Exclusion, which you can get from any Department of Revenue office. *Full-year residents* – subtract from the disability income included on your federal Form 1040 or 1040A, the exclusion from line 6 of Schedule 2440W. *Part-year residents* – subtract the exclusion from line 8 of Schedule 2440W from the portion of your disability income which is otherwise taxable to Wisconsin. Attach your completed Schedule 2440W to your Form 1NPR.

■ **Line 2 Interest income**

**Federal column** Fill in the amount from line 8a of federal Form 1040 or 1040A, line 2 of Form 1040EZ, or line C of your TeleFile Tax Record.

**Wisconsin column** *Nonresidents* – don’t fill in any amount of your interest. (**Exception** Include your share of interest income attributable to Wisconsin and passed through from a tax-option (S) corporation, as reported to you on Wisconsin Schedule 5K-1.) *Part-year and full-year residents* – figure the interest received while a Wisconsin resident. For the period of time you were a nonresident, include your share of interest income attributable to Wisconsin and passed through from a tax-option (S) corporation, as reported to you on Wisconsin Schedule 5K-1. Use the worksheet on this page to figure the interest taxable by Wisconsin. Save this worksheet for your records.

**Modifications**

- **State and municipal bond interest** Did you receive any state or municipal bond interest? If so, add to your federal income the amount received from state and municipal bonds while a Wisconsin resident. This will generally be the amount shown on line 8b of your federal Form 1040 or 1040A or the amount identified as tax-exempt interest on line 2 of Form 1040EZ. (If you were required for federal purposes to allocate expenses to this income, reduce the income by such expenses.)

**Exception** Do not include interest income from (1) public housing authority or community development authority bonds issued by municipalities located in Wisconsin, (2) Wisconsin Housing Finance Authority bonds, (3) Wisconsin municipal redevelopment authority bonds, (4) Wisconsin higher education bonds, (5) Wisconsin Housing and Economic Development Authority bonds issued before January 29, 1987, except business development revenue bonds, economic development revenue bonds and CHAP housing revenue bonds, (6) public housing agency bonds issued before January 29, 1987, by agencies located outside Wisconsin where the interest therefrom qualifies for exemption from federal taxation for a reason other than or in addition to section 103 of the Internal Revenue Code, (7) local exposition district bonds, (8) Wisconsin professional baseball park district bonds, and (9) bonds issued by the Government of Puerto Rico, Guam, or the Virgin Islands. Interest from these sources is exempt from Wisconsin income tax whether received by a direct owner of these securities or by a shareholder in a mutual fund which invests in these securities.

- **United States government interest and dividends** Did you include U.S. government interest in your federal income? If so, subtract from your federal income the amount of interest on United States bonds and interest and dividends of certain United States government corporations. This income isn’t taxable for Wisconsin purposes.

Line 2 instructions – continued

**Caution** Don’t subtract interest from Ginnie Mae (Government National Mortgage Association) securities and other similar securities which are “guaranteed” by the United States government. You must include interest from these securities in your Wisconsin income if you received the interest while a Wisconsin resident.

<b>Worksheet for Interest Income Taxable by Wisconsin</b>	
1. Interest included in federal income . . . . .	1. _____
2. U.S. government interest included on line 1 . . . . .	2. _____
3. Subtract line 2 from line 1 . . . . .	3. _____
4. Amount of interest on line 3 received while a Wisconsin resident and tax-option interest income from Wisconsin while a nonresident . . . . .	4. _____
5. State and municipal bond interest received while a Wisconsin resident . . . . .	5. _____
6. Add lines 4 and 5. Fill in total here and on line 2 of Form 1NPR . . . . .	6. _____

■ **Line 3 Dividend income**

**Federal column** Fill in the amount from line 9 of federal Form 1040 or 1040A.

**Wisconsin column** *Nonresidents* – don’t fill in any amount of your dividends. (**Exception** Include your share of dividend income attributable to Wisconsin and passed through from a tax-option (S) corporation as reported to you on Wisconsin Schedule 5K-1.) *Part-year and full-year residents* – fill in the total dividends you received while a Wisconsin resident. For the period of time you were a nonresident, include your share of dividend income attributable to Wisconsin and passed through from a tax-option (S) corporation, as reported to you on Wisconsin Schedule 5K-1.

**Modifications**

- Did you receive a distribution from a mutual fund which invests in U.S. government securities? If so, you can subtract from your federal income the portion of the distribution which the mutual fund advises you is from investment in U.S. government securities.

■ **Line 4 Taxable refunds, credits, or offsets of state and local income taxes**

**Federal column** Fill in the amount from line 10 of federal Form 1040.

**Wisconsin column** Don’t fill in any amount on line 4. Wisconsin doesn’t tax refunds, credits, or offsets of state and local income taxes.

■ **Line 5 Alimony received**

**Federal column** Fill in the amount from line 11 of federal Form 1040.

**Wisconsin column** *Nonresidents* – don’t fill in any amount. *Part-year and full-year residents* – fill in any alimony you received while a Wisconsin resident.

## ■ Line 6 Business income or loss

**Federal column** Fill in the amount from line 12 of federal Form 1040.

**Wisconsin column** *Nonresidents* – fill in the amount of income or loss from Wisconsin businesses. *Part-year and full-year residents* – figure the income or loss from businesses in and outside Wisconsin while a Wisconsin resident. Combine with that figure the income or loss from Wisconsin businesses while a nonresident.

### Modifications

- **Differences in federal and Wisconsin basis of property** If the federal basis of your property isn't the same as the Wisconsin basis, see page 7.

## ■ Line 7 Capital gain or loss

**Federal column** Fill in the amount from line 13 of federal Form 1040.

**Wisconsin column** *Nonresidents* – complete Schedule WD if you have capital gain and loss from Wisconsin sources. (See definition of Wisconsin sources below.) If you don't, fill in -0- on line 7. *Part-year and full-year residents* – all capital gain or loss received while you are a Wisconsin resident and capital gain or loss received from Wisconsin sources (see definition of Wisconsin sources below) while you are a nonresident is includable in your Wisconsin taxable income. If you have any capital gain or loss taxable to Wisconsin, complete Schedule WD to determine your taxable gain or allowable loss.

**Note** If the only amount on line 13 of Form 1040 is a capital gain distribution from a mutual fund or real estate investment trust, you do not have to complete Schedule WD. Fill in 40% of the portion of the capital gain distribution received while a Wisconsin resident.

**Capital gain or loss from Wisconsin sources** includes gain or loss from the sale of land, buildings, and machinery located in Wisconsin, and your share of capital gain and loss from an estate or trust, partnership, or tax-option (S) corporation which has been reported to you on Wisconsin Schedule 2K-1, 3K-1, or 5K-1. It also includes gain from the sale of stock acquired under an incentive stock option or employe stock purchase plan to the extent attributable to personal services performed in Wisconsin. It doesn't include losses from nonbusiness bad debts and worthless securities, and gains or losses from sales of stocks (except gain on stock acquired under an incentive stock option or employe stock purchase plan as explained above) while a nonresident.

**Did you sell your Wisconsin home?** If you sold your Wisconsin home and qualify to exclude all or a portion of the gain on the sale for federal tax purposes, you may exclude the same amount for Wisconsin.

## ■ Line 8 Other gains or losses

**Federal column** Fill in the amount from line 14 of federal Form 1040.

*Line 8 instructions – continued*

**Wisconsin column** *Nonresidents* – fill in the gain or loss from Wisconsin sources. *Part-year and full-year residents* – figure the gain or loss from all sources while a Wisconsin resident. Combine with that figure gain or loss from Wisconsin sources while a nonresident.

### Modifications

- **Differences in federal and Wisconsin basis of property** If the federal basis of your property isn't the same as the Wisconsin basis, see page 7.

## ■ Line 9 IRA distributions

**Federal column** Fill in the amount from line 15b of federal Form 1040 or line 10b of Form 1040A.

**Wisconsin column** *Nonresidents* – don't fill in any amount on line 9. *Part-year and full-year residents* – fill in the taxable amount of IRA distributions you received while a Wisconsin resident.

## ■ Line 10 Pensions and annuities

**Federal column** Fill in the amount from line 16b of federal Form 1040 or line 11b of Form 1040A.

**Wisconsin column** *Nonresidents* – don't fill in any amount on line 10. *Part-year and full-year residents* – fill in the taxable amount of pension and annuity income you received while a Wisconsin resident. Wisconsin taxes pension, annuity, profit-sharing, and stock bonus plan distributions received while a Wisconsin resident even though the distributions may relate to work you did in another state.

**Exception** Amounts received while a nonresident of Wisconsin from a nonqualified retirement plan or a nonqualified deferred compensation plan must be included in the Wisconsin column to the extent attributable to personal services performed in Wisconsin unless:

- (1) The distribution is paid out in annuity form over the life expectancy of the individual or a period of not less than 10 years, or
- (2) The distribution is paid in either an annuity or lump-sum from arrangements known commonly as "mirror" plans.

### Modifications

- **Lump-sum distributions** Did you receive a lump-sum distribution while a Wisconsin resident? If so, and you used federal Form 4972 to figure your federal tax, you must add the amount of your lump-sum distribution to your other pension and annuity income and report it on line 10. Include on line 10 the total of (1) the capital gain part of the lump-sum distribution from line 6 of Form 4972 and (2) the taxable amount from line 10 of Form 4972. You may reduce this amount by any federal estate tax on line 18 of Form 4972.

**CAUTION** If the amount on line 10 of Form 4972 was computed using the rules for multiple recipients of a lump-sum distribution, include only your share of the taxable amount on line 10, less your share of any federal estate tax attributable to the lump-sum distribution on line 18.

Line 10 instructions – continued

**Note** No portion of a lump-sum distribution may be reported as a capital gain on Wisconsin Schedule WD.

- **Retirement benefits** Don't include on line 10, column B amounts received from the retirement systems listed below if
  1. You were retired from the system before January 1, 1964, or
  2. You were a member of the system as of December 31, 1963, and retired at a later date and payments you receive are from an account established before 1964, or
  3. You are receiving payments from the system as the beneficiary of a person who met either condition 1 or 2.

The specific retirement systems are:

**Local and state retirement systems** – Milwaukee City Employees, Milwaukee City Police Officers, Milwaukee Fire Fighters, Milwaukee Public School Teachers, Milwaukee County Employees, Milwaukee Sheriff, and Wisconsin State Teachers retirement systems.

**Federal retirement systems** – United States government civilian employe and military personnel retirement systems. Examples of such retirement systems include the Civil Service Retirement System, Federal Employees' Retirement System, and Retired Serviceman's Family Protection Plan.

**Note** Do not subtract the following:

- Payments received as a result of voluntary tax-sheltered annuity deposits made in any of the retirement systems listed above.
- Payments received from one of the retirement systems listed above if you first became a member after December 31, 1963, even though pre-1964 military service may have been counted as creditable service in computing your retirement benefit.
- Payments received from the federal Thrift Savings Plan.

**CAUTION** Only retirement benefits based on qualified membership (i.e., membership which began before January 1964, as explained above) in one of the retirement systems listed above may be subtracted. Any portion of your retirement benefit which is based on membership in other retirement systems (or based on employment which began after December 31, 1963) is taxable and may not be subtracted.

- **Railroad retirement benefits** Don't include on line 10, column B amounts received from the U.S. Railroad Retirement Board. These benefits aren't taxable by Wisconsin.
- **Disability income exclusion for part-year and full-year residents** Are you retired on permanent and total disability? If so, and you have included your disability income on line 16b of your federal Form 1040 or line 11b of Form 1040A, you may be able to subtract up to \$5,200 of your disability income. See the modifications for line 1 for further information.

■ **Line 11 Rental real estate, royalties, partnerships, S corporations, trusts, etc.**

**Federal column** Fill in the amount from line 17 of federal Form 1040.

Line 11 instructions – continued

**Wisconsin column Nonresidents** – fill in the amount of rent, royalty, partnership, tax-option (S) corporation, estate, and trust income from Wisconsin sources. *Part-year and full-year residents* – figure the amount of rent, royalty, partnership, tax-option (S) corporation, estate, and trust income from sources in and outside Wisconsin received while a Wisconsin resident. Combine with that figure the amount of rent, royalty, partnership, tax-option (S) corporation, estate, and trust income from Wisconsin sources received while a nonresident.

**Rent, royalty, partnership, tax-option (S) corporation, estate, and trust income from Wisconsin sources** includes:

- Rents and royalties from tangible property located in Wisconsin, such as land, buildings, and machinery.
- Profits and losses from businesses, professions, and farm operations conducted in Wisconsin, including partnerships and tax-option (S) corporations.

**Modifications**

• **Tax-option (S) corporation modifications**

- (1) If you were a shareholder of a tax-option (S) corporation which is required to file a Wisconsin franchise or income tax return, you will receive a Wisconsin Schedule 5K-1 from the S corporation informing you of any adjustments to be made for Wisconsin.
- (2) If you were a shareholder of a federal S corporation that elected not to be treated as a Wisconsin tax-option (S) corporation, you must reverse all items of S corporation income, loss, or deduction included on your federal return and then add your pro rata share of any distributions made by the corporation of earnings and profits which was received while you were a Wisconsin resident. (**Caution** Do not reverse any item of S corporation income or loss reported on federal Schedule D. These items have already been removed from Wisconsin income when you completed Wisconsin Schedule WD.)
- (3) Instead of including the tax-option (S) corporation items deductible on federal Schedule A in the Wisconsin itemized deduction credit, you may be able to treat these items as subtraction modifications.

For more information, get Publication 102, *Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders*, which is available from any Department of Revenue office.

- **Partnership, estate, or trust modifications** If you were a member of a partnership, or you received income from an estate or trust, you will receive a statement from the partnership, estate, or trust notifying you of any modifications to federal income. Increase the amount reported in the federal column by amounts shown as add modifications. Decrease the amount reported in the federal column by amounts shown as subtract modifications.
- **Differences in federal and Wisconsin basis of property** If the federal basis of your property isn't the same as the Wisconsin basis, see page 7.

Line 13 instructions – continued

**Line 12 Farm income or loss**

**Federal column** Fill in the amount from line 18 of federal Form 1040.

**Wisconsin column** *Nonresidents* – fill in the amount of income or loss from Wisconsin farms. *Part-year and full-year residents* – figure the income or loss from farms in and outside Wisconsin while a Wisconsin resident. Combine with that figure the income or loss from Wisconsin farms while a nonresident.

**Modification**

- **Differences in federal and Wisconsin basis of property** If the federal basis of your property isn't the same as the Wisconsin basis, see page 7.

**Line 13 Unemployment compensation**

**Federal column** Fill in the amount from line 19 of federal Form 1040, line 12 of Form 1040A, line 3 of Form 1040EZ, or line D of your TeleFile Tax Record.

**Wisconsin column** *Nonresidents* – don't fill in any amount on line 13. *Part-year and full-year residents* – figure the taxable amount of unemployment compensation received while a Wisconsin resident. Complete the following steps.

**Step 1** Complete the worksheet below:

**Step 2** Use the following formula to figure the amount taxable by Wisconsin:

$$\begin{array}{r} \text{UC from} \\ \text{line 9 of} \\ \text{worksheet} \\ \text{below} \end{array} \times \frac{\text{UC* received while} \\ \text{a Wis. resident}}{\text{Total UC received} \\ \text{from line 1 of} \\ \text{worksheet below}} = \begin{array}{r} \text{UC taxable by} \\ \text{Wisconsin to} \\ \text{line 13, Col. B} \\ \text{Form 1NPR} \end{array}$$

\* Do not include any railroad unemployment insurance benefits here.

**Line 14 Social security benefits**

**Federal column** Fill in the amount from line 20b of federal Form 1040 or line 13b of Form 1040A.

**Wisconsin column** *Nonresidents* – don't fill in any amount on line 14. *Part-year and full-year residents* – figure the taxable amount of social security benefits received while a Wisconsin resident.

If line 7 of your federal Social Security Benefits Worksheet in the Form 1040A or 1040 instructions is more than \$34,000 (\$44,000 if married filing jointly or \$0 if your filing status is married filing a separate return and you lived with your spouse at any time during 1998), complete both the worksheet on page 13 and the formula to figure the amount taxable by Wisconsin. Otherwise, use only the formula to figure the amount taxable by Wisconsin.

<b>Unemployment Compensation Worksheet</b>	
Check only one box.	
<input type="checkbox"/> A. Married filing a joint return – write \$18,000 on line 3 below.	
<input type="checkbox"/> B. Married not filing a joint return and lived with your spouse at any time during the year – write -0- on line 3 below.	
<input type="checkbox"/> C. Married not filing a joint return and DID NOT live with your spouse at any time during the year – write \$12,000 on line 3 below.	
<input type="checkbox"/> D. Single – write \$12,000 on line 3 below.	
1. Fill in unemployment compensation from line 19 of federal Form 1040 (line 12 of Form 1040A, line 3 of Form 1040EZ, or line D of your federal TeleFile Tax Record) . . . . .	1. _____
2. Fill in your federal adjusted gross income from line 33 of federal Form 1040 (line 18 of Form 1040A, line 4 of Form 1040EZ, or line H of your federal TeleFile Tax Record) . . . . .	2. _____
3. Fill in \$18,000 if you checked box A; <b>or</b> -0- if you checked box B; <b>or</b> \$12,000 if you checked box C or D . . . . .	3. _____
4. Fill in taxable social security benefits, if any, from line 20b of federal Form 1040 (line 13b of Form 1040A) . . . . .	4. _____
5. Fill in taxable refunds, credits, or offsets, if any, from line 10 of federal Form 1040 . . . . .	5. _____
6. Add lines 3, 4, and 5 . . . . .	6. _____
7. Subtract line 6 from line 2. If zero or less, fill in -0- here and on line 9 of this worksheet and do not complete line 8. Otherwise, go on to line 8 . . . . .	7. _____
8. Fill in one-half of the amount on line 7 . . . . .	8. _____
9. Fill in the smaller amount of line 1 or line 8. . . . .	9. _____

Line 14 instructions – continued

**Note** Lines 1 and 2 of the worksheet below refer to lines on the federal Social Security Benefits Worksheet included in the federal Form 1040 and Form 1040A instructions. If you use one of the other federal worksheets (e.g., the worksheet for social security recipients who contribute to an IRA), use the equivalent lines on that worksheet. If you received a lump-sum payment of social security benefits in 1998 that included benefits for prior years and you used separate worksheets for each year to figure the amount of social security taxable on your federal return, contact any Department of Revenue office for information on how to figure the nontaxable amount.

Wisconsin Social Security Benefits Worksheet (Keep for your records)	
1. Amount from line 2 of your federal Social Security Benefits Worksheet .	1. _____ .
2. Amount from line 9 of your federal Social Security Benefits Worksheet .	2. _____ .
3. Fill in one-half of line 2 . . . . .	3. _____ .
4. Compare line 1 and line 3. Fill in the smaller amount . . . . .	4. _____ .

**Formula**

$$\begin{array}{l} \text{SS from} \\ \text{line 14, Col. A,} \\ \text{Form 1NPR or} \\ \text{line 4 of work-} \\ \text{sheet (if used)} \end{array} \times \frac{\begin{array}{l} \text{SS* received while} \\ \text{a Wis. resident} \\ \text{Total SS received from} \\ \text{line 20a, Form 1040 or} \\ \text{line 13a, Form 1040A} \end{array}}{\begin{array}{l} \text{Total SS received from} \\ \text{line 20a, Form 1040 or} \\ \text{line 13a, Form 1040A} \end{array}} = \begin{array}{l} \text{SS taxable by} \\ \text{Wisconsin to} \\ \text{line 14, Col. B} \\ \text{Form 1NPR} \end{array}$$

\* Do not include any railroad retirement benefits here.

**Line 15 Other income**

**Federal column** Fill in the amount from line 21 of federal Form 1040.

**Wisconsin column Nonresidents** – fill in any other income you received from Wisconsin sources. *Part-year and full-year residents* – figure the amount of any other income you received while a Wisconsin resident. Add to that figure any other income you received from Wisconsin sources while a nonresident.

**Modifications**

- **Farm losses** Did you deduct farm losses from your Wisconsin income? If so, you may have to include part of your losses on line 15. Wisconsin limits the amount of your “combined net losses from farming” if your nonfarm Wisconsin adjusted gross income is more than \$55,000 (\$27,500 if married filing a separate return).

Figure your combined net losses from farming by adding together losses you included in the Wisconsin column on Form 1NPR for

1. Farm losses from operating a farm,
2. Farm rental losses if you materially participated in the operation or management of the farm, and
3. Your share of any partnership, tax-option (S) corporation, estate, or trust farm losses.

Line 15 instructions – continued

Don’t reduce your farm losses by any net farm gains. If the amount of your combined net losses from farming is more than the maximum allowable loss shown in the tables following for your marital status and income bracket, include the excess loss on line 15.

Farm Loss Limits – Single persons and married persons filing joint return		
Nonfarm Wisconsin Adjusted Gross Income		
More Than	But Not More Than	Maximum Allowable Loss
\$ 0 . . . . .	\$ 55,000 . . . . .	Full Amount
55,000 . . . . .	75,000 . . . . .	\$20,000
75,000 . . . . .	100,000 . . . . .	17,500
100,000 . . . . .	150,000 . . . . .	15,000
150,000 . . . . .	200,000 . . . . .	12,500
200,000 . . . . .	250,000 . . . . .	10,000
250,000 . . . . .	300,000 . . . . .	7,500
300,000 . . . . .	400,000 . . . . .	5,000
400,000 . . . . .		No Loss

Farm Loss Limits – Married persons filing separate returns (including married filing as head of household)		
Nonfarm Wisconsin Adjusted Gross Income		
More Than	But Not More Than	Maximum Allowable Loss
\$ 0 . . . . .	\$ 27,500 . . . . .	Full Amount
27,500 . . . . .	37,500 . . . . .	\$10,000
37,500 . . . . .	50,000 . . . . .	8,750
50,000 . . . . .	75,000 . . . . .	7,500
75,000 . . . . .	100,000 . . . . .	6,250
100,000 . . . . .	125,000 . . . . .	5,000
125,000 . . . . .	150,000 . . . . .	3,750
150,000 . . . . .	200,000 . . . . .	2,500
200,000 . . . . .		No Loss

**Example** For 1998, a single person who is a nonresident reports a loss of \$25,000 on Schedule E from a Wisconsin farm partnership, a \$10,000 loss on Schedule F from the operation of a farm in Wisconsin, a profit of \$5,000 on Schedule E from the rental of Wisconsin farmland, and a loss of \$30,000 on Schedule E from an S corporation that operates a farm in California. The person’s nonfarm Wisconsin adjusted gross income is \$60,000. His combined net losses from farming are \$35,000 (\$25,000 + \$10,000). Since he’s a nonresident, the S corporation loss isn’t included in his Wisconsin income. The maximum farm loss he can deduct is \$20,000. He must include \$15,000 (\$35,000 combined net losses – \$20,000 maximum loss) on line 15.

- **Farm loss carryover** If you were subject to farm loss limitations (see above modification for farm losses for a description) on your 1986 or subsequent year Wisconsin income tax return, you may be able to claim a subtraction for all or a portion of the farm loss disallowed in those years. Farm losses disallowed as a deduction in 1986 or thereafter may be carried forward for 15 years to the extent that the farm losses are not offset against farm income of any year between the loss year and the year for which the carryover is claimed. The amount of carryover that can be subtracted is the lesser of (1) the farm loss carryover or (2) the

Line 15 instructions – continued

net profits or net gains from the sale or exchange of capital or business assets in the current taxable year from the same farming business or portion of that business to which the limits on deductible farm losses applied in the loss year.

**Example** You have a farm loss carryover from 1997 of \$30,000. For 1998 you report a net loss of \$2,000 on Schedule F and a net gain of \$6,000 from the sale of farm equipment on Form 4797. The gain and loss are from the same farming business to which the limitation applied in the loss year. You may subtract \$6,000 as a farm loss carryover.

- **Farmland tax relief and farmland preservation credits** Did you receive farmland tax relief or farmland preservation credit in 1998? If so, the total amount is taxable by Wisconsin. Include on line 15 any portion of your farmland tax relief and farmland preservation credits which weren't included as income on your federal return.
- **Federal net operating loss carryover** Don't include on line 15 any amount that you deducted on line 21 of federal Form 1040 as a federal net operating loss carryover.
- **Recoveries of federal itemized deductions** Don't include on line 15 any amount that you included in federal income that is a recovery of a federal itemized deduction for which you didn't receive a Wisconsin tax benefit.

**Example** You deducted a casualty loss of \$2,000 as an itemized deduction on your 1997 federal income tax return. You couldn't claim the casualty loss for the itemized deduction credit on your 1997 Wisconsin return. In 1998, you received a \$1,000 reimbursement from your insurance company for part of the casualty loss. You reported the \$1,000 on your 1998 federal income tax return as a recovery of an amount previously claimed. Wisconsin won't tax the \$1,000 because you didn't claim the casualty loss for the itemized deduction credit on your Wisconsin return.

- **Wisconsin net operating loss carryforward** If you had a net operating loss (NOL) in an earlier year to carry forward to 1998, include the allowable amount on line 15. Attach a statement showing how you figured the amount. Get Publication 120, *Net Operating Losses for Individuals, Estates, and Trusts*, from any Department of Revenue office for more details on computing the NOL and the allowable deduction.



• **Manufacturer's sales tax credit** Fill in the amount of manufacturer's sales tax credit that you computed for 1998. This is the amount from line 10 (line 11 for beneficiaries of an estate or trust) of Schedule MS. The amount of your credit is income and must be reported on your Wisconsin Form 1NPR, even if you cannot take the full credit this year and must carry part of it forward. (**Exception** Do not include manufacturer's sales tax credit from a partnership or tax-option corporation. These credits are already included in the income of the partnership or tax-option corporation.)



• **Long-term care insurance** If you paid long-term care insurance costs during 1998, you may be able to subtract all or a portion of the cost of a long-term care insurance policy which covers you or your spouse.

"Long-term care insurance policy" means a disability insurance policy or certificate advertised, marketed, offered, or designed

Line 15 instructions – continued

primarily to provide coverage for care that is provided in your home or in an institutional or community-based setting. The care must be convalescent or custodial care or care for a chronic condition or terminal illness.

"Long-term care insurance policy" does not include a medicare supplement policy or medicare replacement policy or a continuing care contract. "Continuing care contract" means a contract which provides nursing services, medical services, or personal care services, in addition to food, shelter, and laundry services, for the duration of a person's life or for a term in excess of one year, conditioned upon any of the following payments:

- An entrance fee in excess of \$10,000.
- Providing for the transfer of at least \$10,000 (if the amount is expressed in dollars) or 50% of the person's estate (if the amount is expressed as a percentage of the person's estate) to the service provider upon the person's death.

If you paid long-term care insurance costs during 1998 for a policy which covers you or your spouse, complete the following three steps to determine the amount of your subtraction.

**Step 1** Complete the following worksheet.

Worksheet – Long-Term Care Insurance	
1. Amount paid for long-term care insurance in 1998 . . . . .	1. _____
2. Portion of long-term care insurance cost included as a self-employed health insurance deduction on line 28 of federal Form 1040 . . . . .	2. _____
3. Portion of long-term care insurance cost deducted on federal Schedule C or F for your employe spouse . . . . .	3. _____
4. Add lines 2 and 3 . . . . .	4. _____
5. Subtract line 4 from line 1 . . . . .	5. _____

**Step 2** Use the following formula to prorate the long-term care insurance.

$$\begin{matrix} \text{Amount} & & \text{Wages, unearned income, and} & & \\ \text{from} & \times & \text{net earnings from a trade or} & & \text{Tentative} \\ \text{line 5 of} & & \text{business* taxable by Wisconsin} & = & \text{subtraction} \\ \text{Worksheet} & & \frac{\text{Total wages, unearned income,}}{\text{and net earnings from a trade}} & & \\ & & \text{or business*} & & \end{matrix}$$

\* Use the total taxable wages, taxable unearned income (e.g., interest, dividends, pensions, capital gains, etc.), and net earnings from a trade or business (include both spouses' income if married filing a joint return). Net earnings from a trade or business is income from self-employment, including ordinary income from a trade or business as reported on Form 4797, line 18, and less the deduction for one-half of self-employment tax. Do not include losses from a trade or business.

**Step 3** Your subtraction for long-term care insurance is the smaller of the tentative deduction computed in Step 2 or the amount of wages, unearned income, and net earnings from a trade or business taxable by Wisconsin.

Line 15 instructions – continued

- **Development zone credits** Include on line 15 the amount of your development zone credit(s) that you computed on Wisconsin Schedule DC. The amount of your development zone credit(s) is income and must be reported on Form INPR, even if you cannot take the full credit this year and must carry part of it forward. (**Exception** Do not include development zone credit(s) from a partnership or tax-option corporation. These credits are already included in the partnership and tax-option corporation income you filled in on line 11, column B.)
- **Amounts not taxable by Wisconsin** Don't include on line 15 amounts not taxable by Wisconsin (less related expenses, except expenses used to figure the Wisconsin itemized deduction credit).

**Example** Wisconsin doesn't tax certain relocation assistance payments received by persons displaced by condemnation, subject to the conditions set forth in section 32.19 of the Wisconsin Statutes.

- **Adoption expenses** If you were a full-year resident of Wisconsin for 1998 and you adopted a child for whom a final order of adoption was entered by a Wisconsin court during 1998, you may subtract up to \$5,000 of the amount you paid for adoption fees, court costs, and legal fees relating to the adoption. You may include amounts paid during 1996, 1997, and 1998. Don't count amounts reimbursed under any adoption assistance program. If you adopt more than one child during the year, you may deduct up to \$5,000 of adoption expenses for each child.

**New**

- **Tuition Expenses** You may be able to claim a subtraction for up to \$3,000 of the amount you paid during 1998 for tuition for you, your spouse (if married filing a joint return), and children whom you claim as dependents on your federal income tax return.

The tuition must have been paid during 1998 to attend any of the following:

- **Classes in Wisconsin** at a school which qualifies as a university, college, or technical college. A "university, college, or technical college" is any school which has a curriculum leading to a diploma, degree, or occupational or vocational objective.
- **Classes in Wisconsin** at other post-secondary (post-high school) schools that have been approved by the Wisconsin Educational Approval Board.
- **Classes in Minnesota** at a public vocational school or public institution of higher education in Minnesota **under the Minnesota–Wisconsin tuition reciprocity agreement.**

The subtraction does not apply to tuition paid to pre-schools or elementary or secondary schools (for example, grade schools and high schools).

Tuition paid to a school which fits into one of the three categories listed above may be subtracted regardless of the type of course taken. For example, tuition paid for craft or recreational courses at a technical college qualifies for the subtraction.

Tuition paid to a school which does not fit into any of the three categories listed above may not be claimed as a subtraction. For example, the subtraction does not apply to a fee paid to a retail craft store to attend a session on flower arranging.

Line 15 instructions – continued

Tuition paid for correspondence courses or courses received via the Internet or other electronic transmission qualifies for the subtraction as long as the courses are taken in Wisconsin, and are presented by a school (located in or outside Wisconsin) which qualifies as a university, college, or technical college, or a school approved by the Wisconsin Educational Approval Board.

**Caution** The subtraction only applies to tuition. Amounts paid as separate charges for other items such as books, supplies, room and board, or other costs may not be subtracted. The subtraction also does not apply to tuition which is reimbursed by your employer.

The subtraction is limited if your federal adjusted gross income exceeds certain amounts. Your federal adjusted gross income is the amount from:

- line 33 of Form 1040
- line 18 of Form 1040A
- line 4 of Form 1040EZ
- line H of your TeleFile Tax Record
- line 32 of Form 1040NR\*, or
- line 9 of Form 1040NR-EZ\*.

\* The Forms 1040NR and 1040NR-EZ were not available at the time this booklet was printed. These references are to the 1997 Forms 1040NR and 1040NR-EZ. Line references may change for 1998 forms.

If your filing status is:

#### Single or Head of Household

- If your federal adjusted gross income is \$50,000 or less, complete Steps 2 and 3 below to figure the amount of your subtraction for tuition expense. Do not complete the worksheet in Step 1.
- If your federal adjusted gross income is more than \$50,000 but less than \$60,000, complete Steps 1-3 below to figure the amount of your subtraction.
- If your federal adjusted gross income is \$60,000 or more, you may not subtract any amount for tuition expenses.

#### Married Filing Joint Return

- If your federal adjusted gross income is \$80,000 or less, complete Steps 2 and 3 below to figure the amount of your subtraction for tuition expense. Do not complete the worksheet in Step 1.
- If your federal adjusted gross income is more than \$80,000 but less than \$100,000, complete Steps 1-3 below to figure the amount of your subtraction.
- If your federal adjusted gross income is \$100,000 or more, you may not subtract any amount for tuition expenses.

#### Married Filing Separate Return

- If your federal adjusted gross income is \$40,000 or less, complete Steps 2 and 3 below to figure the amount of your subtraction for tuition expense. Do not complete the worksheet in Step 1.
- If your federal adjusted gross income is more than \$40,000 but less than \$50,000, complete Steps 1-3 below to figure the amount of your subtraction.
- If your federal adjusted gross income is \$50,000 or more, you may not subtract any amount for tuition expenses.

**Step 1** Complete the worksheet on page 16 as required for your filing status.

Line 15 instructions – continued

### Tuition Expense Worksheet

1. Amount paid for tuition in 1998. Do not fill in more than \$3,000 per student . . . . . 1. \_\_\_\_\_
2. Fill in your federal adjusted gross income . . . . . 2. \_\_\_\_\_
3. Fill in \$50,000 (\$80,000 if married filing joint return or \$40,000 if married filing separate return) . . . . . 3. \_\_\_\_\_
4. Subtract line 3 from line 2 . . . . . 4. \_\_\_\_\_
5. Divide the amount on line 4 by 10,000 (20,000 if married filing joint return). Fill in decimal amount . . . . . 5. \_\_\_\_\_
6. Multiply line 1 by the decimal amount on line 5 . . . . . 6. \_\_\_\_\_
7. Subtract line 6 from line 1. This is the amount of tuition expense to use in the formula in Step 2 . . . . . 7. \_\_\_\_\_

**Step 2** Use the following formula to prorate the tuition expense.

$$\text{Tuition expense*} \times \frac{\text{Wages, salaries, tips, unearned income, and net earnings from a trade or business** taxable by Wisconsin}}{\text{Total wages, salaries, tips, unearned income, and net earnings from a trade or business**}} = \text{Tentative subtraction}$$

\* This is the amount from line 7 of the Tuition Expense Worksheet in Step 1. If you were not required to use the worksheet, use the amount paid for tuition in 1998 but not more than \$3,000 per student.

\*\* If you are married filing a joint return, include the wages, salaries, tips, unearned income (e.g., interest, dividends, etc.), and net earnings from a trade or business of both spouses. Net earnings from a trade or business is your income from self-employment, including ordinary income from a trade or business as reported on Form 4797, line 18, and less the deduction for one-half of self-employment tax. Do not include losses from a trade or business.

**Step 3** Your subtraction for tuition expense is the smaller of the tentative subtraction computed in Step 2 or the amount of wages, salaries, tips, unearned income, and net earnings from a trade or business taxable by Wisconsin.

- **College tuition prepayment program** You may subtract any amount included in federal adjusted gross income due to an increase in value of a tuition unit purchased under the Wisconsin college tuition prepayment program (EdVest Wisconsin).

- **Passive foreign investment company** Include on line 15 the amount of excess distribution from a passive foreign investment company which is allocable to Wisconsin and which has not been included in federal adjusted gross income (see federal Form 8621).

**New** • **Sale of business assets or assets used in farming to a related person** You may subtract the taxable portion of gain you realize from the sale or disposition to a related person of business assets or assets used in farming if the following conditions apply:

Line 15 instructions – continued

- The related person is your child, grandchild, great grandchild, parent, brother or sister, nephew or niece, grandparent, great grandparent, or aunt or uncle. The person may be related to you by blood, marriage, or adoption.
- The asset was held by you for more than 12 months.
- The gain is treated as capital gain for federal tax purposes. Amounts treated as ordinary income do not qualify.

Gain on the sale or disposition of shares in a corporation or trust qualifies only if:

- The number of shareholders or beneficiaries does not exceed 15. Lineal ancestors and descendants and aunts, uncles, and 1st cousins thereof count collectively as one shareholder or beneficiary. This collective authorization may not be used for more than one family in a single corporation or trust.
- The corporation does not have more than two classes of shares.
- All shareholders or beneficiaries, other than any estate, are natural persons.

**Farming** “Farming” means the cultivation of land or the raising or harvesting of any agricultural or horticultural commodity including the raising, shearing, feeding, caring for, training, and management of animals. Trees (other than trees bearing fruit or nuts) are not treated as an agricultural or horticultural commodity. (Trees may qualify as a business asset, see below.)

**Business Assets** “Business assets” are assets used in an activity carried on for a livelihood or in good faith to make a profit. The facts and circumstances of each case determine whether or not an activity is a business. Regularity of activities and transactions and the production of income are important elements. You do not need to actually make a profit to be in a business as long as you have a profit motive. You do need, however, to make ongoing efforts to further the interests of your business.

“Business assets” include assets used in the performance of services by an individual as an employee and assets used in the conduct of a trade or business by an individual who is self-employed.

“Business assets” do not include investment and rental property (for example, stocks, bonds, and residential rental property) unless you are subject to federal self-employment tax on the earnings from the activity. (**Note** Rental property which is a farm or farm equipment may qualify as an asset “used in farming.”)

**Computing the subtraction** You must first complete Wisconsin Schedule WD. The amount of gain that may be subtracted is determined after netting all capital gains and losses on Schedule WD.

- If amounts reported in Parts I and II of Schedule WD consist only of capital gains, your subtraction is equal to 40% of the gain on the sale of the asset to the related person.
- If the amount on line 15 or 16 of Schedule WD is a net loss, you may not subtract any amount as gain on the sale of the asset to the related person.
- If the amount on line 16 of Schedule WD is a net gain and (1) the only gain reported on Schedule WD is from the sale of the asset to the related person and (2) you show a loss on line 14, column (f) of Schedule WD and/or on line 7 of Schedule WD, your subtraction is equal to the amount on line 19 of Schedule WD.

Line 15 instructions – continued

- If the amount on line 16 of Schedule WD is a net gain and (1) the only long-term gain reported on Schedule WD is from the sale of the asset to the related person, (2) you show a loss on line 14, column (f) of Schedule WD, and (3) you show a gain on line 7 of Schedule WD, your subtraction is equal to the amount on line 19 of Schedule WD less the amount on line 7 of Schedule WD.
- If the amount on line 16 of Schedule WD is a net gain and (1) that net gain includes more than one long-term capital gain and (2) you show a loss on line 14, column (f) of Schedule WD and/or on line 7 of Schedule WD, complete the following worksheet to compute your subtraction.
- If the amount on line 16 of Schedule WD is a net gain and (1) that net gain includes more than one long-term capital gain, (2) you show a loss on line 14, column (f) of Schedule WD, and (3) you show a gain on line 7 of Schedule WD, complete the following worksheet to compute your subtraction.

Worksheet for Gain on Sale of Assets to Related Person	
1. Amount from line 19 of Schedule WD . . .	1. _____
2. Net short-term gain, if any, from line 7 of Schedule WD . . . . .	2. _____
3. Subtract line 2 from line 1 . . . . .	3. _____
4. Long-term gain on the sale of asset to related person . . .	4. _____
5. Total long-term capital gain from line 14, column (g) of Schedule WD . . . . .	5. _____
6. Divide line 4 by line 5. Fill in decimal amount . . . . .	6. _____
7. Multiply line 3 by line 6. This is your subtraction for gain on the sale of assets to a related person . . . . .	7. _____

**Line 17 IRA deduction**

**Federal column** Fill in the amount from line 23 of federal Form 1040 or line 15 of Form 1040A.

**Wisconsin column** Fill in the amount of IRA deduction allowable for Wisconsin.

- Use the following formula to figure your allowable IRA deduction.
- If you are married filing a joint return and both you and your spouse qualify for an IRA deduction, you must separately figure each spouse’s allowable IRA deduction. Fill in the total of both your and your spouse’s allowable IRA deductions in Col. B of Form 1NPR.

Your wages and net earnings from a trade or business* taxable to Wisconsin	x	Your IRA deduction from line 23, Form 1040, or line 15, Form 1040A	=	IRA deduction allowable for Wisconsin to line 17, Col. B Form 1NPR
Your total wages and net earnings from a trade or business*				

\* Do not reduce your wages by losses from self-employment. Do not include your spouse’s wages or earnings from a trade or business.



**Line 18 Student loan interest deduction**

**Federal column** Fill in the amount from line 24 of federal Form 1040 or line 16 of Form 1040A.

**Wisconsin column** Fill in the amount of student loan interest deduction from the federal column.

**Line 19 Medical savings account deduction**

**Federal column** Fill in the amount from line 25 of federal Form 1040.

**Wisconsin column** Fill in the amount of the medical savings account deduction from the federal column.

**Line 20 Moving expenses**

**Federal column** Fill in the amount from line 26 of federal Form 1040.

**Wisconsin column** *Nonresidents* – don’t fill in any amount on line 20. *Part-year and full-year residents* – fill in your expenses from line 26 of federal Form 1040 which were for moving into Wisconsin or within Wisconsin. Don’t include expenses for moving out of Wisconsin if your new domicile is outside Wisconsin. You may include expenses for moving out of Wisconsin only if you retained your Wisconsin domicile.

**Line 21 One-half of self-employment tax**

**Federal column** Fill in the amount from line 27 of federal Form 1040.

**Wisconsin column** Fill in the allowable deduction for self-employment tax. Use the following formula to figure the deduction:

Net earnings from a trade or business taxable to Wisconsin	x	Self-employment tax deduction from line 27, Form 1040	=	Wisconsin self-employment tax deduction to line 21, Col. B Form 1NPR
Total net earnings from a trade or business				

**Note** If you are married filing a joint return and both you and your spouse had self-employment income, you must figure each spouse’s allowable deduction separately. Fill in the total of both spouses’ allowable deduction on line 21 of Form 1NPR.

**Line 22 Self-employed health insurance deduction**

**Federal column** Fill in the amount from line 28 of federal Form 1040.

**Wisconsin column** If you are self-employed, see the modification for medical care insurance on page 7. Fill in your Wisconsin self-employed medical care insurance deduction on line 22.

**Line 23 Keogh and self-employed SEP and SIMPLE plans**

**Federal column** Fill in the amount from line 29 of federal Form 1040.

## Line 23 instructions – continued

**Wisconsin column** Fill in the amount of the Keogh and self-employed SEP and SIMPLE deduction allowable for Wisconsin.

- Use the following formula, as appropriate, to figure the amount of your Keogh and self-employed SEP and SIMPLE deduction allowable for Wisconsin.
- If you are married filing a joint return and both you and your spouse had a Keogh or self-employed SEP or SIMPLE deduction, you must figure each spouse's allowable deduction separately. Fill in the total of each spouse's deduction on line 23 of Form 1040.
- If you have both a Keogh and self-employed SEP or SIMPLE deduction, figure the allowable deduction for each separately. Fill in the total of the allowable deductions on line 23 of Form 1040.

Formula to figure allowable Keogh deduction:

$$\frac{\text{Your net earnings from a trade or business* taxable to Wisconsin}}{\text{Your total net earnings from a trade or business*}} \times \frac{\text{Keogh deduction included in line 29, Form 1040}}{\text{Keogh deduction allowable for Wisconsin to line 23, Col. B Form 1040}} = \frac{\text{Keogh deduction allowable for Wisconsin to line 23, Col. B Form 1040}}{\text{Keogh deduction allowable for Wisconsin to line 23, Col. B Form 1040}}$$

\* Use net earnings only from the business that has the Keogh plan.

Formula to figure allowable self-employed SEP or SIMPLE deduction:

$$\frac{\text{Your wages and net earnings from a trade or business* taxable to Wisconsin}}{\text{Your total wages and net earnings from a trade or business*}} \times \frac{\text{Self-employed SEP or SIMPLE deduction included in line 29, Form 1040}}{\text{Self-employed SEP or SIMPLE deduction allowable for Wisconsin to line 23, Col. B Form 1040}} = \frac{\text{Self-employed SEP or SIMPLE deduction allowable for Wisconsin to line 23, Col. B Form 1040}}{\text{Self-employed SEP or SIMPLE deduction allowable for Wisconsin to line 23, Col. B Form 1040}}$$

\* Do not reduce your wages by losses from self-employment, and use net earnings only from the business that has the SEP or SIMPLE plan.

### Line 24 Penalty on early withdrawal of savings

**Federal column** Fill in the amount from line 30 of federal Form 1040.

**Wisconsin column** *Nonresidents* – don't fill in any amount on line 24. *Part-year and full-year residents* – fill in the penalty for early withdrawal of savings you paid while a Wisconsin resident.

### Line 25 Alimony paid

**Federal column** Fill in the amount from line 31a of federal Form 1040.

**Wisconsin column** Fill in the amount of alimony paid from the federal column.

### Line 26 Other adjustments

**Note** Federal Form 1040 does not provide separate lines for the following adjustments: employe expenses of qualified performing

## Line 26 instructions – continued

artists, jury duty pay given to employer, reforestation amortization, repayment of supplemental unemployment benefits, contributions to section 501(c)(18) pension plans, deduction for clean fuel vehicles, employe business expenses of fee-basis state or local government officials, and expenses from the rental of personal property. Instead, these items are included in the total on line 32 of Form 1040.

**Federal column** Fill in the amount of the other adjustments (items listed above) which are included in the total on line 32 of Form 1040.

**Wisconsin column** *Nonresidents* – don't fill in any amount of repayment of supplemental unemployment benefits on line 26. Fill in on line 26 the amount of other adjustments related to earning income taxable to Wisconsin. *Part-year and full-year residents* – fill in the amount of any repayment of supplemental unemployment benefits you made while a Wisconsin resident. Also fill in on line 26 the amount of other adjustments related to earning income taxable to Wisconsin.

■ **Line 28** Subtract line 27, Wisconsin column, from line 16, Wisconsin column. Fill in the result on line 28, Wisconsin column. If line 27, Wisconsin column, is more than line 16, Wisconsin column, fill in -0-.

■ **Line 29** Subtract line 27, federal column, from line 16, federal column. Fill in the result on line 29, federal column. If line 27, federal column, is more than line 16, federal column, fill in -0-.

### Line 30 Ratio of your Wisconsin income to federal income

Divide the amount on line 28, Wisconsin column, by the amount on line 29, federal column. Fill in the result on line 30. Carry your decimal to four places, rounding off the fourth position. Don't fill in more than 1.00 or less than zero. If the amount on line 28 or line 29 is zero or a negative amount, fill in 1.00 on line 30.

**Example** If \$14,000 is reported on line 28, Wisconsin column, and is divided by \$26,000 on line 29, federal column, the result is .5384615, or rounded is .5385.

### Line 33a Aliens

If for federal tax purposes you are a dual-status or nonresident alien for 1998, check the box and fill in -0- on lines 33c and 33e. You can't claim a standard deduction.

**Exception** If, at the end of 1998, one spouse was a nonresident alien or a dual-status alien and the other spouse was a U.S. citizen or a resident alien and you qualify to file a joint return (as explained on page 5), do not check this box. Complete lines 33b through 33e.

■ **Line 33b** If you have unearned income and can be claimed as a dependent by another person, check the box. Complete lines 33c and 33d, and see the "Exception" for line 33e.

■ **Line 33c** Go to the 1998 Standard Deduction Table on page 30. Find your income-level bracket using your federal income on line 32. Read across to the column showing your filing status to find your standard deduction. Fill in your standard deduction on line 33c.

Line 33c instructions – continued

**Exception**

- **Taxpayers who file short period returns or federal Form 4563 to claim an exclusion of income from sources within U.S. possessions** If you file a short period return or claim an exclusion of income from sources within U.S. possessions, you can't claim a standard deduction. Fill in -0- on line 33c and check the box on line 33a.

■ **Line 33e Wisconsin standard deduction**

Multiply the standard deduction on line 33c by the ratio on line 33d. Fill in the result on line 33e.

**Exception**

- **Dependent with unearned income** If you have more than \$250 of unearned income (for example, interest, dividends, or unemployment compensation), and you can be claimed as a dependent for income tax purposes by another person, your standard deduction is limited. Use the worksheet below to figure your standard deduction.

Standard Deduction Worksheet for Dependents with Unearned Income	
1. Fill in amount from line 33c . . . . .	1. _____
2. Fill in ratio from line 33d . . . . .	2. <u>X</u> . _____
3. Multiply line 1 by line 2 . . . . .	3. _____
4. Fill in the amount of your earned income* .	4. _____
5. Addition amount . . . . .	5. \$ 250.00
6. Add lines 4 and 5 . . . . .	6. _____
7. Compare lines 3 and 6. Fill in the smaller of the two amounts here and on line 33e of Form 1NPR. If less than \$700, fill in \$700 . . . . .	7. _____

\* Earned income includes wages, salaries, tips, scholarships which are reported on a W-2, and other pay (line 1, federal column) and net earnings from self-employment (lines 6 and 12, federal column).

■ **Line 35 Tax**

Use Schedule 1 on page 3 of Form 1NPR to figure your tax. Fill in the amount of tax from line 12 of Schedule 1 on line 35 of Form 1NPR.

■ **Line 36 Dependent credit**

Don't count yourself or your spouse as dependents.

You can claim those persons who qualify as your dependents for federal income tax purposes as dependents on your Wisconsin return. Fill in the number of dependents in the space provided. Multiply the number of dependents by \$50. Fill in the result on line 36.

■ **Line 37 Senior citizen credit**

The senior citizen credit is available only to persons who were age 65 or older on December 31, 1998, and whose income is below certain amounts.

Line 37 instructions – continued

**Single Person**

- If the amount on line 31 of Form 1NPR is \$30,000 or less, fill in \$25 on line 37.
- If the amount on line 31 of Form 1NPR is more than \$30,000 but less than \$31,000, use the worksheet below to compute your credit.
- If the amount on line 31 of Form 1NPR is \$31,000 or more, fill in -0- on line 37.

**Married Persons Filing a Joint Return**

- If the amount on line 31 of Form 1NPR is \$40,000 or less, fill in \$25 on line 37 (\$50 if both spouses were age 65 or older on December 31, 1998).
- If the amount on line 31 of Form 1NPR is more than \$40,000 but less than \$41,000, use the worksheet below to compute your credit. (**Note** If both spouses were age 65 or older on December 31, 1998, the credit is two times the amount shown on line 6 of the worksheet.)
- If the amount on line 31 of Form 1NPR is \$41,000 or more, fill in -0- on line 37.

**Married Person Not Filing a Joint Return**

- If the amount on line 31 of Form 1NPR is \$20,000 or less, fill in \$25 on line 37.
- If the amount on line 31 of Form 1NPR is more than \$20,000 but less than \$21,000, use the worksheet below to compute your credit.
- If the amount on line 31 of Form 1NPR is \$21,000 or more, fill in -0- on line 37.

Senior Citizen Credit Worksheet	
1. Amount of credit before phase-out . . . . .	1. <u>\$25.00</u>
2. Amount from line 31 of Form 1NPR	2. _____
3. Fill in \$30,000 (\$40,000 if married filing a joint return or \$20,000 if married and are not filing a joint return) . . . . .	3. _____
4. Subtract line 3 from line 2 . . . . .	4. _____
5. Multiply line 4 by .025 . . . . .	5. _____
6. Subtract line 5 from line 1. Fill in here and on line 37 of Form 1NPR* . . . . .	6. _____

\* If a joint return and both spouses are 65 or older, multiply line 6 by 2 and enter result on line 37 of Form 1NPR.

■ **Line 38 Wisconsin itemized deduction credit**

If the total of certain federal itemized deductions exceeds your Wisconsin standard deduction, you may claim the Wisconsin itemized deduction credit.

Complete Schedule 2 on page 3 of Form 1NPR to see if you can claim the credit. Schedule 2 lists the specific deductions to use from federal Schedule A (see following exceptions).

*Line 38 instructions – continued*

If you did not itemize deductions for federal tax purposes, use the amounts which would be deductible if you had itemized deductions. To determine the amounts to use, complete a federal Schedule A. Write “Wisconsin” at the top of this Schedule A and attach it to Form 1NPR.

**Exceptions** The following deductions from federal Schedule A cannot be used when completing Schedule 2:

- Medical expenses – the amount of medical care insurance and long-term care insurance claimed as a subtraction for Wisconsin.
- Interest – paid on a second home located outside Wisconsin.
  - paid on a residence which is a boat.
  - paid to purchase or hold U.S. government securities.
- Miscellaneous deductions – the amount deducted as a repayment of income previously taxed if you are claiming a Wisconsin credit for this repayment.
- Contributions, miscellaneous, interest, and other itemized deductions allocated to you by a tax-option (S) corporation if you treated the deduction as a subtraction.

**Note** The line references on Schedule 2 are to Schedule A of federal Form 1040. If you are filing federal Form 1040NR, use only the amounts from the following lines of Schedule A of Form 1040NR to complete Schedule 2:

- Gifts to charities – line 7 of Schedule A
- Job expenses and miscellaneous deductions – line 15 of Schedule A
- Other miscellaneous deductions – line 16 of Schedule A

### ■ Line 39 School property tax credit

*Nonresidents* – don’t fill in any amount on these lines. Nonresidents aren’t eligible for the school property tax credit.

**Note** If you are filing a joint return and one spouse is a full-year or part-year Wisconsin resident but the other is a nonresident, you can claim the school property tax credit. Figure your credit by using the rent and property taxes of both spouses.

*Part-year and full-year residents*—read the following instructions if you paid rent during 1998 for living quarters used as your principal home or property taxes during 1998 on your home.

#### Special cases

**If you paid both property taxes and rent** You can claim both the renter’s credit and the home owner’s credit. The total combined credit claimed on lines 39a and 39b can’t be more than \$350 (\$175 if married filing a separate return or if married filing as head of household).

**Married persons filing a joint return** Figure your credit by using the rent and property taxes of both spouses.

*Line 39 instructions – continued*

**Married persons filing separate returns (including married filing as head of household)** Each spouse can claim a credit. Each of you can use only your own property taxes and rent to figure the credit. The maximum credit allowable to each spouse is \$175.

**Persons who jointly own a home or share rented living quarters** When two or more persons (other than husband and wife) jointly own a home or share rented living quarters, each may claim a credit. However, the property taxes or rent paid must be divided among the owners or occupants. See the instructions for lines 39a and 39b below.

### ■ Line 39a How do I figure the renter’s school property tax credit?

**Step 1 Rent paid in 1998** Fill in on the appropriate lines the total rent that you paid in 1998 for living quarters (1) where the heat was included in the rent, and (2) where the heat was not included in the rent. These living quarters must have been used as your principal home but don’t have to be located in Wisconsin. Don’t include any rent that you may claim as a business expense. Don’t include rent paid for housing that is exempt from property taxes. (Property owned by a public housing authority is considered tax-exempt unless that authority makes payments in place of property taxes to the city or town in which it is located. If you live in public housing, you may wish to ask your manager about this.)

If your rent included food, housekeeping, medical, or other services, reduce your rent paid in 1998 by the value of these items. If you shared living quarters with one or more persons (other than your spouse or dependents), fill in only the portion of the total rent that you paid in 1998. For example, if you and two other persons rented an apartment and paid a total rent of \$3,000 in 1998, and you each paid \$1,000 of the rent, each could claim a credit based on \$1,000 of rent.

**Step 2** Use the Renter’s School Property Tax Credit Table on page 21 to figure your credit. If heat was included in your rent, use column 1 of the table. If heat was not included, use column 2. Fill in your credit on line 39a.

**Exception** If you paid both rent where heat was included and rent where heat was not included, complete the following worksheet.

#### Renter’s Worksheet

(Complete only if Exception described above applies)

1. Credit for rent with heat included (from Column 1 of Table on page 21) . . . 1. \_\_\_\_\_
2. Credit for rent where heat not included (from Column 2 of Table on page 21) . . . 2. \_\_\_\_\_
3. Add lines 1 and 2. Fill in on line 39a of Form 1NPR. Do not fill in more than \$350 (\$175 if married filing a separate return or married filing as head of household) . . . . . 3. \_\_\_\_\_

Line 39b instructions – continued

**Line 39b How do I figure the home owner’s school property tax credit?**

**Step 1 Property taxes paid on home in 1998** Fill in the property taxes you *paid* in 1998 on your home. Your home doesn’t have to be located in Wisconsin. Don’t include the following:

- Charges for special assessments, delinquent interest, or services which may be included on your tax bill (like trash removal, recycling fee, or a water bill).
- Property taxes that you can claim as a business expense (for example, farm taxes or rental property taxes).
- Property taxes paid on nonbusiness property (such as a cottage or vacant land) other than your home.
- Property taxes paid in any year other than 1998.

The property taxes for your home to be filled in are further limited as follows:

- If you bought or sold your home during 1998, the property taxes of the seller and buyer are the taxes set forth for each in the closing agreement made at the sale or purchase of the home. If the closing agreement doesn’t divide the taxes between the seller and buyer, divide the property taxes between the seller and the buyer based on the number of months each one owned the home.
- If you owned a mobile home during 1998, property taxes include the mobile home parking permit fees paid to your municipality and/or the personal property taxes paid on your mobile home. (Fill in payments for space rental as rent on line 39a.)
- If you, or you and your spouse, owned a home jointly with one or more other persons, you may only use that portion of the property taxes which reflects your percentage of ownership. For example, if you and another person (not your spouse) jointly owned a home on which taxes of \$1,500 were paid, each of you can claim a credit based on \$750 of taxes.

**Renter’s School Property Tax Credit Table\***

If Rent Paid is:		Your Line 39a Credit is:		If Rent Paid is:		Your Line 39a Credit is:		If Rent Paid is:		Your Line 39a Credit is:		If Rent Paid is:		Your Line 39a Credit is:	
At Least	But Less Than	Heat In-cluded in Rent	Heat Not In-cluded in Rent	At Least	But Less Than	Heat In-cluded in Rent	Heat Not In-cluded in Rent	At Least	But Less Than	Heat In-cluded in Rent	Heat Not In-cluded in Rent	At Least	But Less Than	Heat In-cluded in Rent	Heat Not In-cluded in Rent
\$ 1	\$ 100	\$ 1	\$ 2	\$ 3,500	\$ 3,600	\$ 99	\$ 124	\$ 7,000	\$ 7,100	\$ 197	\$ 247	\$10,500	\$10,600	\$ 295	\$ 350
100	200	4	5	3,600	3,700	102	128	7,100	7,200	200	250	10,600	10,700	298	350
200	300	7	9	3,700	3,800	105	131	7,200	7,300	203	254	10,700	10,800	301	350
300	400	10	12	3,800	3,900	108	135	7,300	7,400	206	257	10,800	10,900	304	350
400	500	13	16	3,900	4,000	111	138	7,400	7,500	209	261	10,900	11,000	307	350
500	600	15	19	4,000	4,100	113	142	7,500	7,600	211	264	11,000	11,100	309	350
600	700	18	23	4,100	4,200	116	145	7,600	7,700	214	268	11,100	11,200	312	350
700	800	21	26	4,200	4,300	119	149	7,700	7,800	217	271	11,200	11,300	315	350
800	900	24	30	4,300	4,400	122	152	7,800	7,900	220	275	11,300	11,400	318	350
900	1,000	27	33	4,400	4,500	125	156	7,900	8,000	223	278	11,400	11,500	321	350
1,000	1,100	29	37	4,500	4,600	127	159	8,000	8,100	225	282	11,500	11,600	323	350
1,100	1,200	32	40	4,600	4,700	130	163	8,100	8,200	228	285	11,600	11,700	326	350
1,200	1,300	35	44	4,700	4,800	133	166	8,200	8,300	231	289	11,700	11,800	329	350
1,300	1,400	38	47	4,800	4,900	136	170	8,300	8,400	234	292	11,800	11,900	332	350
1,400	1,500	41	51	4,900	5,000	139	173	8,400	8,500	237	296	11,900	12,000	335	350
1,500	1,600	43	54	5,000	5,100	141	177	8,500	8,600	239	299	12,000	12,100	337	350
1,600	1,700	46	58	5,100	5,200	144	180	8,600	8,700	242	303	12,100	12,200	340	350
1,700	1,800	49	61	5,200	5,300	147	184	8,700	8,800	245	306	12,200	12,300	343	350
1,800	1,900	52	65	5,300	5,400	150	187	8,800	8,900	248	310	12,300	12,400	346	350
1,900	2,000	55	68	5,400	5,500	153	191	8,900	9,000	251	313	12,400	12,500	349	350
2,000	2,100	57	72	5,500	5,600	155	194	9,000	9,100	253	317	12,500 or more		350	350
2,100	2,200	60	75	5,600	5,700	158	198	9,100	9,200	256	320				
2,200	2,300	63	79	5,700	5,800	161	201	9,200	9,300	259	324				
2,300	2,400	66	82	5,800	5,900	164	205	9,300	9,400	262	327				
2,400	2,500	69	86	5,900	6,000	167	208	9,400	9,500	265	331				
2,500	2,600	71	89	6,000	6,100	169	212	9,500	9,600	267	334				
2,600	2,700	74	93	6,100	6,200	172	215	9,600	9,700	270	338				
2,700	2,800	77	96	6,200	6,300	175	219	9,700	9,800	273	341				
2,800	2,900	80	100	6,300	6,400	178	222	9,800	9,900	276	345				
2,900	3,000	83	103	6,400	6,500	181	226	9,900	10,000	279	348				
3,000	3,100	85	107	6,500	6,600	183	229	10,000	10,100	281	350				
3,100	3,200	88	110	6,600	6,700	186	233	10,100	10,200	284	350				
3,200	3,300	91	114	6,700	6,800	189	236	10,200	10,300	287	350				
3,300	3,400	94	117	6,800	6,900	192	240	10,300	10,400	290	350				
3,400	3,500	97	121	6,900	7,000	195	243	10,400	10,500	293	350				

\***Caution** The credit allowed certain persons may be less than the amount indicated. See “Special Cases” on page 20.

Line 39b instructions – continued

**Step 2** Use the Home Owner’s School Property Tax Credit Table below to figure your credit. Fill in the amount of your credit on line 39b.

**Caution** If you are also claiming the renter’s credit on line 39a, the total of your renter’s and home owner’s credit can’t be more than \$350 (\$175 if married filing a separate return or married filing as head of household).

**Home Owner's School Property Tax Credit Table\***

If Property Taxes are:			If Property Taxes are:			If Property Taxes are:		
At Least	But Less Than	Line 39b Credit is	At Least	But Less Than	Line 39b Credit is	At Least	But Less Than	Line 39b Credit is
\$ 1	\$ 25	\$ 2	\$ 875	\$ 900	\$ 124	\$1,750	\$1,775	\$ 247
25	50	5	900	925	128	1,775	1,800	250
50	75	9	925	950	131	1,800	1,825	254
75	100	12	950	975	135	1,825	1,850	257
100	125	16	975	1,000	138	1,850	1,875	261
125	150	19	1,000	1,025	142	1,875	1,900	264
150	175	23	1,025	1,050	145	1,900	1,925	268
175	200	26	1,050	1,075	149	1,925	1,950	271
200	225	30	1,075	1,100	152	1,950	1,975	275
225	250	33	1,100	1,125	156	1,975	2,000	278
250	275	37	1,125	1,150	159	2,000	2,025	282
275	300	40	1,150	1,175	163	2,025	2,050	285
300	325	44	1,175	1,200	166	2,050	2,075	289
325	350	47	1,200	1,225	170	2,075	2,100	292
350	375	51	1,225	1,250	173	2,100	2,125	296
375	400	54	1,250	1,275	177	2,125	2,150	299
400	425	58	1,275	1,300	180	2,150	2,175	303
425	450	61	1,300	1,325	184	2,175	2,200	306
450	475	65	1,325	1,350	187	2,200	2,225	310
475	500	68	1,350	1,375	191	2,225	2,250	313
500	525	72	1,375	1,400	194	2,250	2,275	317
525	550	75	1,400	1,425	198	2,275	2,300	320
550	575	79	1,425	1,450	201	2,300	2,325	324
575	600	82	1,450	1,475	205	2,325	2,350	327
600	625	86	1,475	1,500	208	2,350	2,375	331
625	650	89	1,500	1,525	212	2,375	2,400	334
650	675	93	1,525	1,550	215	2,400	2,425	338
675	700	96	1,550	1,575	219	2,425	2,450	341
700	725	100	1,575	1,600	222	2,450	2,475	345
725	750	103	1,600	1,625	226	2,475	2,500	348
750	775	107	1,625	1,650	229	2,500	or more	350
775	800	110	1,650	1,675	233			
800	825	114	1,675	1,700	236			
825	850	117	1,700	1,725	240			
850	875	121	1,725	1,750	243			

\***Caution** The credit allowed certain persons may be less than the amount indicated. See “Special Cases” on page 20.

**New** ■ **Line 41 Working families tax credit**

*Nonresidents and part-year residents* – don’t fill in any amount. Only full-year residents are eligible for the working families tax credit.

**Note** If you are married filing a joint return and one spouse is a full-year Wisconsin resident, the resident spouse may be able to claim the working families tax credit.

*Full-year residents* – If you are married filing a joint return, read the instructions which follow.

Line 41 instructions – continued

**Note** You may not claim the working families tax credit if you may be claimed as a dependent on another person’s (for example, your parent’s) income tax return.

- If the amount on line 31 of Form 1NPR is \$18,000 or less, your credit is equal to the amount of tax on line 35 of Form 1NPR. Fill in the amount of your credit on line 41 of Form 1NPR.
- If the amount on line 31 of Form 1NPR is more than \$18,000 but less than \$19,000, use the worksheet below to compute your credit.
- If the amount on line 31 of Form 1NPR is \$19,000 or more, fill in -0- on line 41. You do not qualify for the working families tax credit.

**Working Families Tax Credit Worksheet**

Complete this worksheet only if you are a full-year Wisconsin resident and your income on line 31 of Form 1NPR is between \$18,000 and \$19,000. **Caution** Do not complete this worksheet if you may be claimed as a dependent on another person’s return.

1. Amount from line 35 of Form 1NPR . . . . . 1. \_\_\_\_\_ .
2. Amount from line 40c of Form 1NPR plus any historic rehabilitation credit which will be included on line 42 . . . . . 2. \_\_\_\_\_ .
3. Subtract line 2 from line 1 . . . . . 3. \_\_\_\_\_ .
4. Fill in \$19,000 . . . . . 4. \_\_\_\_\_ .
5. Fill in amount from line 31 of Form 1NPR . . . . . 5. \_\_\_\_\_ .
6. Subtract line 5 from line 4 . . . . . 6. \_\_\_\_\_ .
7. Divide line 6 by one thousand (1,000). Fill in decimal amount . . . . . 7. \_\_\_\_\_ .
8. Multiply line 3 by line 7. This is your working families tax credit. Fill in this amount on line 41 of Form 1NPR . . . . . 8. \_\_\_\_\_ .

■ **Line 44 Alternative minimum tax**

You may be liable for the Wisconsin alternative minimum tax if your return includes any of the following items.

1. Accelerated depreciation.
2. Amortization of certified pollution control facilities or depletion.
3. Incentive stock options.
4. Intangible drilling costs, circulation, research, or mining exploration or development costs.
5. Income or (loss) from tax-shelter farm activities or passive activities.
6. Percentage of completion income from long-term contracts.
7. Interest paid on a home mortgage not used to buy, build, or substantially improve your home.
8. Investment interest expense.
9. Wisconsin net operating loss deduction.

To see if you owe this tax, get Schedule MT and its instructions. You may get a copy of Schedule MT from any Department of Revenue office.

## ■ Line 46 Married couple credit

You may claim the married couple credit if:

- you are married filing a joint return,
- both you and your spouse have qualified earned income taxable by Wisconsin, and
- you do not file federal Form 2555 or Form 2555EZ to claim an exclusion of foreign earned income, or Form 4563 to claim an exclusion of income from sources in United States possessions.

To figure the credit, fill in Schedule 3 on page 3 of Form 1NPR. Figure earned income separately for yourself and your spouse on lines 1 through 5 in columns (A) and (B) of Schedule 3.

“Earned income” includes taxable wages, salaries, tips, other employe compensation, scholarships and fellowships (only amounts reported on a W-2), disability income treated as wages, and net earnings from self-employment reported to Wisconsin. Earned income doesn’t include interest, dividends, unemployment compensation, rental income, social security, pensions, or annuities. Don’t consider the Wisconsin marital property law, marital property agreements, or unilateral statements in figuring each spouse’s earned income.



## ■ Line 47 Manufacturer’s sales tax credit

The manufacturer’s sales tax credit is available for the amount of sales and use tax paid on fuel and electricity consumed in manufacturing in Wisconsin. If you qualify for this credit, attach a completed Schedule MS to your Form 1NPR. Fill in on line 47 of Form 1NPR the amount from line 18 of Schedule MS.

## ■ Line 50 Temporary recycling surcharge

**Who is subject to the surcharge** The surcharge applies to individuals who must file a Wisconsin income tax return and have:

- Nonfarm trade or business activities (as defined later) in Wisconsin, or
- Income as a statutory employe (as defined later) in Wisconsin, or
- Farming activities in Wisconsin.

**Exception** The surcharge does not apply to an individual who:

- has less than \$4,000 of gross receipts for federal income tax purposes and isn’t engaged in farming, or
- is engaged only in farming and has less than \$1,000 of net farm profit for federal income tax purposes, or
- is engaged in both farming and other trade or business activities with less than \$4,000 of gross receipts from all nonfarm trade or business activities and less than \$1,000 of net farm profit for federal income tax purposes, or
- is a duly ordained, commissioned, or licensed minister, member of a religious order, or Christian Science practitioner. (**Note** This exception to the temporary recycling surcharge is limited to income related to the performance of ministerial services, duties required by the order, or service as a Christian Science practitioner.)
- files their return on a fiscal basis and has a fiscal year which ends after April 1, 1999.

*Line 50 instructions – continued*

If any of the above exceptions apply, do not fill in any amounts on line 50.

### Definitions

**Farming** Farming is the cultivation of land or the raising or harvesting of any agricultural or horticultural commodity including the raising, shearing, feeding, caring for, training, and management of animals. Trees, other than trees bearing fruit or nuts, aren’t treated as an agricultural or horticultural commodity. Raising or harvesting Christmas trees is not considered farming.

**Net farm profit** Net farm profit is all farm income less all farm expenses for federal income tax purposes. It includes the amount identified as “Net farm profit or (loss)” on federal Schedule F plus any ordinary income (loss) from farming reported on federal Form 4797, line 18, less the deduction for one-half of the federal self-employment tax paid on the farm income and less the federal self-employed health insurance deduction if the insurance plan was established under the farm business.

**Gross receipts** Gross receipts include:

- total receipts or sales from all nonfarm trade or business activities (as defined later) reportable for federal income tax purposes, before deducting returns and allowances and any other business expenses (for example, line 1 of federal Schedule C plus the sales price of business assets producing ordinary income (loss) reported on federal Form 4797), and
- total wages received as a statutory employe, before deducting any business expenses.

**Net business income** Net business income is the net profit from a trade or business (as defined later) except farming. The net profit is all business income less all deductible expenses for federal income tax purposes, except as indicated below. Net business income includes net income received as a statutory employe and ordinary income (loss) reported on Form 4797, line 18.

### Exceptions

- Nonresidents of Wisconsin – net business income is the Wisconsin portion of the net profit from a trade or business (as defined later), except farming.
- Part-year residents of Wisconsin – net business income includes the net profit from *all* trade or business activities while a resident of Wisconsin, plus the net profit from *Wisconsin* trade or business activities while a nonresident of Wisconsin.

For purposes of computing the surcharge, net business income is reduced by:

- The deduction for 50% of federal self-employment taxes paid on the business income.
- The federal self-employed health insurance deduction if the insurance plan was established under the business.

To determine net business income, start with the amount on line 6, column B, Form 1NPR, and ordinary income (loss) from the business reported on line 8, column B, Form 1NPR. Reduce this amount by the amount on line 21, column B, Form 1NPR and by the self-employed health insurance deduction on line 22, column A, Form 1NPR if the insurance plan was established under the business, to the extent that these amounts relate to a nonfarm trade or business.

Line 50 instructions – continued

**Statutory employe** An individual who receives a wage statement, Form W-2, that has the “Statutory employe” box checked is a statutory employe. Statutory employes report their income and related expenses on federal Schedule C or Schedule C-EZ. Statutory employes include:

- agent-drivers or commission-drivers who distribute meat products, vegetable products, bakery products, or beverages (other than milk), or pick up or deliver laundry or dry cleaning,
- full-time life insurance salespeople,
- certain homeworkers, and
- certain traveling or city salespeople.

**Trade or business** A trade or business is an activity regularly carried on for a livelihood or with the intention of making a profit. Trade or business income includes:

- net profit from operating a trade or business or practicing a profession as a sole proprietorship, reportable on federal Schedule C or C-EZ,
- other federal self-employment income, such as directors fees and wages received by a U.S. citizen employed by a foreign government in the United States, and
- guaranteed payments from a partnership, received by:
  - (1) a partner, for services performed in the capacity as a partner, and
  - (2) a general partner, for the use of capital.

Guaranteed payments are amounts figured without regard to the income of the partnership and are reportable on federal Schedule E.

**Note** The surcharge does not apply to payments from a partnership received by a partner who is not acting in the capacity as a partner. The partnership is subject to the surcharge on these payments.

**Temporary recycling surcharge for individuals other than farmers** In the space provided on line 50, fill in the amount of your net business income (as defined earlier) which is included in Column B of Form 1NPR. Fill in -0- if you have a net loss. (You are still subject to a \$25 minimum surcharge even if you have a net loss.)

**Exception** If you have less than \$4,000 of gross receipts (as defined earlier) for federal income tax purposes, you aren’t subject to a surcharge based on net business income. However, if you are also engaged in farming, see “Temporary recycling surcharge for farmers” in next column.

**Note** Individuals operating more than one business must combine the net income or loss from all trades or businesses, except farming, and enter the result.

Trade or business income is to be reported by the operator of the business, without regard to marital property law. If you and your spouse file a joint return and each operate separate businesses, you must compute your surcharge by completing the worksheet on this page.

Multiply the amount of your net business income by 0.2173% (0.002173) and fill in the result on line 50. **Exception** If the result is less than \$25 or if you have a net loss from trade or business activities, fill in \$25. If the result is more than \$9,800, fill in \$9,800.

Line 50 instructions – continued

**Temporary recycling surcharge for farmers** If you are engaged in farming in Wisconsin and have a net farm profit of \$1,000 or more for federal income tax purposes, fill in \$25 on line 50.

**Temporary recycling surcharge for individuals engaged in both farming and other trade or business activities** If you are engaged in both farming and some other trade or business in Wisconsin, you may owe the \$25 farm surcharge in addition to any surcharge based on your net business income. You must compute your surcharge by completing the worksheet below.

**Worksheet** The following persons are required to use the worksheet below to compute their temporary recycling surcharge. If you are one of the persons listed below, check the box on line 50 of Form 1NPR and use the worksheet to compute your surcharge.

- You are engaged in both farming and some other trade or business.
- You are married filing a joint return and both spouses are subject to the temporary recycling surcharge. In this case, each spouse must complete a separate worksheet. Add the amounts from line 4 of both worksheets and fill in the total on line 50 of Form 1NPR.

<b>Temporary Recycling Surcharge Worksheet</b>	
1. Fill in your net business income included in Column B of Form 1NPR (if a net loss, fill in -0- and enter \$25 on line 2)* . . . . .	1. _____
2. Multiply the amount on line 1 by .002173 and fill in the result but not less than \$25 or more than \$9,800 . . . . .	2. _____
3. If you are engaged in farming in Wisconsin and have net farm profit of \$1,000 or more for federal income tax purposes, fill in \$25	3. _____
4. Add lines 2 and 3. Fill in here and on line 50 of Form 1NPR. Be sure to check the worksheet box on line 50 . . . . .	4. _____
* Fill in -0- if your gross receipts from all trade or business activities are less than \$4,000.	

Publication 400, *Wisconsin’s Temporary Recycling Surcharge*, provides further information on the temporary recycling surcharge. Publication 400 is available at any Department of Revenue office.

**Line 51 Sales and use tax due on out-of-state purchases**

If, while a Wisconsin resident during 1998, you made any taxable purchases from out-of-state firms on which sales and use tax was not charged, you must report Wisconsin sales and use tax on these purchases on line 51. Taxable purchases include furniture, carpet, clothing, computers, books, CDs, cassettes, video tapes, jewelry, coins purchased for more than face value, etc. For example, if you purchased \$300 of clothing through a catalog from an out-of-state company, no sales and use tax was charged, and you reside in a county with a 5% tax rate, you are liable for \$15 Wisconsin tax (\$300 x 5% = \$15) on this purchase.

Complete the worksheet on page 25 to determine whether you are liable for Wisconsin sales and use tax. Fill in the amount from line 3 of the worksheet on line 51 of Form 1NPR.

Line 51 instructions – continued

<b>Worksheet for Computing Wisconsin Sales and Use Tax</b>	
1. Total purchases subject to Wisconsin sales and use tax (i.e., purchases on which no sales and use tax was charged by the seller) . . . . .	\$ _____
2. Sales and use tax rate (see rate chart below) . . . . .	x _____ %
3. Amount of sales and use tax due for 1998 (line 1 multiplied by tax rate on line 2). Fill in this amount on line 51 of Form 1NPR if \$1 or more. If less than \$1, fill in -0-. . . . .	\$ _____

**Sales and Use Tax Rate Chart**

In all Wisconsin counties except those shown in a, b, and c below, the tax rate was 5.5% for all of 1998.

a. If you resided in 1998 in one of the following counties, the tax rate was 5.6%:

Milwaukee                  Ozaukee

b. If you resided in 1998 in one of the following counties, the tax rate was 5.1%:

Racine                          Washington                  Waukesha

c. If you resided in 1998 in one of the following counties, the tax rate was 5%:

Brown	Green	Outagamie
Calumet	Green Lake	Rock
Clark	Kewaunee	Sheboygan
Eau Claire	La Fayette	Taylor
Florence	Manitowoc	Winnebago
Fond du Lac	Marinette	Wood
Grant	Menominee	

■ **Line 52 Endangered resources donation**

Your donation supports the preservation and management of more than 200 endangered and threatened Wisconsin plants and animals. It helps ensure a future for trumpeter swans, timber wolves, calypso orchids, and Karner blue butterflies, to name a few. It also helps protect Wisconsin's finest remaining examples of prairies, forests, and wetlands. All gifts (up to a total of \$500,000) will be matched by general purpose revenue, which makes your gift twice as important to endangered resources.

Consider a gift of \$15, \$25, \$50, or \$75, or choose your own amount, and support endangered resources in Wisconsin. Fill in line 52 with the amount you wish to donate. Your gift will either reduce your refund or be added to tax due. Or, send a check directly to: Endangered Resources Fund, Department of Natural Resources, P.O. Box 7921, Madison, WI 53707.

■ **Line 53 Penalties on IRAs, other retirement plans, MSAs, etc.**

*Nonresidents* – don't fill in this line. (**Exception** See "Penalty for selling business assets (or assets used in farming) purchased from a related person within 24 months" in next column.) *Part-year and*

Line 53 instructions – continued

*full-year residents* – fill in this line if (1) you owe any of the federal penalty taxes listed below and (2) the action which caused you to owe the federal penalty tax occurred while you were a Wisconsin resident.

- Tax on IRAs and other retirement plans and MSAs (from line 53 of federal Form 1040).
- Total tax due from lines 4, 8, 17, 19, 21, 30, and 34 of federal Form 5329 (include only if the tax due on this form was paid separately and is not included on line 53 of your federal Form 1040).
- Tax on excess contributions (line 2 of federal Form 5330).
- Tax on prohibited transactions (line 6 of federal Form 5330).
- Section 72(m)(5) excess benefits tax (included in the total on line 56 of federal Form 1040).
- Tax on distributions from an MSA not used for qualified medical expenses.

If you are subject to the Wisconsin penalty, fill in the total of your federal penalty taxes in the space provided on line 53. Multiply the amount filled in by .33 (33%) and fill in the result on line 53. If you were required to file federal Form 5329 or 5330, attach a copy of your Form 5329 or 5330 to your Form 1NPR.

**Note** You are not subject to the penalty on payments from certain retirement plans if the payments are exempt from Wisconsin tax. See the modifications for line 10 for information on the retirement payments from local and state retirement systems and federal retirement systems which are exempt from Wisconsin tax.

**Penalty for selling business assets (or assets used in farming) purchased from a related person within 24 months** Capital gain on the sale or disposition of business assets or on assets used in farming may be excluded from Wisconsin taxation if the assets were held more than one year and the assets are disposed of to certain related persons. The related person who purchases or otherwise receives the assets on which the gain is excluded is subject to a penalty if he/she sells or otherwise disposes of the assets within two years. If you are subject to this penalty, contact any department office for information on how to compute the penalty. Include the amount of the penalty on line 53 of Form 1NPR. Write "RP" to the right of line 53.

■ **Line 55 Wisconsin income tax withheld**

Add the **Wisconsin** income tax withheld shown on your withholding statements (Forms W-2, W-2G, 1042S, 1099-G, 1099-R, and 1099-MISC). Fill in the total on line 55. Attach readable copies of your withholding statements to the back of Form 1NPR.

**Note** Wisconsin tax withheld is shown in Box 18 of Form W-2 or Box 10 of Form 1099-R, but only if Wisconsin is the state identified in Box 16 of Form W-2 or Box 11 of Form 1099-R.

DO NOT claim credit for tax withheld for other states. DO NOT claim amounts marked social security or Medicare tax withheld. DO NOT claim credit for federal tax withheld. DO NOT include withholding statements from other tax years. DO NOT write on or change or attempt to correct the amounts on your withholding statements.

It is your responsibility to ensure that your employer or other payer has provided withholding statements that:

1. Are clear and easy to read.
2. Show withholding was paid to Wisconsin.

If you do not have a withholding statement or need a corrected withholding statement, contact your employer or other payer.

Line 57 instructions – continued

**Line 56 1998 Wisconsin estimated tax payments and amount applied from 1997 return**

Fill in the total of (1) any overpayment of 1997 income tax you were allowed as a credit on your 1998 Wisconsin estimated tax, and (2) any Wisconsin estimated tax payments you made for 1998. If you are married and file a joint return, add together (1) the total of both spouses' separate estimated tax payments, (2) any joint estimated tax payments you made, and (3) the total overpayments of 1997 income tax you and your spouse were allowed as credit to your 1998 estimated tax account(s).

If you are filing a separate tax return, you may not claim any part of your spouse's separate estimated tax payments or credits. You and your spouse may split your joint estimated tax payments and credits between you as you choose. If you cannot agree on how joint estimated tax payments are to be split between you, the department will split them between you according to your respective income tax liabilities.

Follow these instructions even if your spouse died during 1998.

**Name change** Did you change your name because of marriage or divorce? If so, and you made estimated tax payments using your former name, attach a statement to the front of Form 1NPR explaining all the payments you and your spouse made for 1998 and the name(s) and social security number(s) under which you made the payments.

**Line 57 Earned income credit**

*Nonresidents and part-year residents* – don't fill in any amount. Only full-year Wisconsin residents are eligible for the Wisconsin earned income credit.

**Note** If you are filing a joint return and one spouse is a full-year Wisconsin resident, you may claim the Wisconsin earned income credit if you claimed the federal earned income credit and you had a qualifying child.

To claim the Wisconsin earned income credit, complete the following steps and fill in the required information in the spaces provided on line 57.

**Step 1** Fill in the number of children who meet the requirements of a "qualifying child" for purposes of the federal earned income credit (see federal Schedule EIC for definition of a "qualifying child").

**CAUTION** For federal purposes only your first two qualifying children are counted. For Wisconsin purposes all of your qualifying children are counted.

**Note** If your qualifying child is not claimed as a dependent on your return, write the child's name(s) above line 57.

**Step 2** Fill in the earned income credit from line 37a of federal Form 1040A or line 59a of Form 1040. (**Exception** If you were required to reduce your federal earned income credit because you owed alternative minimum tax, fill in the amount of your earned income credit before the reduction for alternative minimum tax.)

**Step 3** Fill in the percentage rate which applies to you.

Number of qualifying children (see Step 1 above)	Fill in this percentage rate
1	4%
2	14%
3 or more	43%

**Step 4** Multiply the amount of your federal credit (Step 2) by the percentage determined in Step 3. Fill in the result on line 57. This is your Wisconsin earned income credit.

**Note** If the IRS is computing your federal earned income credit and you want the department to compute your Wisconsin earned income credit for you, fill in the number of your qualifying children in the space provided on line 57. Write "EIC" in the space to the right of line 57. Complete your return through line 61 of Form 1NPR. Attach a copy of your federal return (Form 1040A or Form 1040) to your Form 1NPR.

**Line 58 Farmland preservation credit**

*Nonresidents and part-year residents* – don't fill in any amount. Only full-year Wisconsin residents are eligible for farmland preservation credit.

**Note** If you are filing a joint return and one spouse is a full-year Wisconsin resident, the resident spouse may be able to claim farmland preservation credit. Fill in the amount from line 16 of your Schedule FC on line 58. If you are claiming farmland preservation credit, attach your completed Schedule FC to your Form 1NPR.

**Line 59 Net income tax paid to another state on income earned while a Wisconsin resident**

*Nonresidents* – don't fill in any amount (except amounts paid by a tax-option (S) corporation on income earned while you were a Wisconsin resident). *Part-year and full-year residents* – read the instructions below if you paid income taxes to another state.

Did you pay income tax to another state or the District of Columbia on income earned while you were a Wisconsin resident? If so, you may be entitled to claim a credit for such income tax on your Wisconsin return. To qualify for a credit, the income that was taxed by the other state must also be taxed by Wisconsin. You can't claim credit for other taxes paid such as city tax, severance tax, county tax, or foreign tax. If you paid "minimum tax" to another state, you may be able to claim a credit for this tax. For further information, get Publication 125, *Credit for Tax Paid to Another State*, from any Department of Revenue office.

**Note** You can't claim credit for taxes paid to Illinois, Indiana, Kentucky, Michigan, or Minnesota on wages earned in those states. Generally, under agreements with these 5 states, they don't tax the wages of Wisconsin residents. If income taxes were withheld from your wages for any of these states, you must file a return with that state to obtain a refund. On that state's return, be sure to explain that you were a Wisconsin resident when earning the wages in that state.

**How do I figure my credit for tax paid to another state?** Fill in an income tax return from the other state to figure the net tax due. Fill in that amount on line 59 of Form 1NPR. The amount on line 59 can't be more than the amount shown on line 49 of Form 1NPR. **Don't fill in on line 59 either the amount of tax withheld as shown on the withholding statement (W-2 or other withholding form) from the other state or the amount of estimated tax you paid to the other state.**

**Note** If only part of the income taxed by the other state is taxed by Wisconsin (for example, capital gain on assets held more than one year is taxed 100% for Illinois but only 40% for Wisconsin), you must limit the credit claimed on line 59. Use the following formula to figure the amount of credit you may claim.

$$\frac{\text{Income taxable to both Wisconsin and other state}}{\text{Total income taxable to other state}} \times \text{Total net income tax paid to other state} = \text{Amount of credit allowable against Wisconsin tax}$$

*Line 59 instructions – continued*

Fill in the amount of your credit on line 59. If only part of the income taxed by the other state is taxed by Wisconsin, attach an explanation of how you figured your credit.

**What do I have to attach to claim the credit?** To claim the credit, attach to your Form 1NPR a complete copy of your income tax return from the other state and your withholding statement (W-2 or other withholding form) from the other state. If you are claiming the credit for tax paid to another state as a member of a limited liability company (LLC) treated as a partnership or as a shareholder in a tax-option (S) corporation, attach a copy of the Wisconsin Schedule 3K-1 or 5K-1 you received from the LLC or tax-option (S) corporation. If the LLC or corporation did not file a Wisconsin return, submit federal Schedule K-1 plus a statement from the LLC or (S) corporation listing the states where tax was paid and the amount of each state's tax allocable to you. Copies of any combined or composite individual income tax returns filed by the LLC or corporation on your behalf should be attached to your Wisconsin return.

**Credit for repayment of income previously taxed** If you repaid during 1998, an amount that you included in income in an earlier year because at that time you thought you had an unrestricted right to it, you may be able to claim a credit based on the amount repaid. To qualify for the credit, the amount repaid must be over \$3,000 and cannot have been subtracted in computing Wisconsin adjusted gross income or used in computing the Wisconsin itemized deduction credit.

Use the following steps to compute your credit:

- (1) Refigure your tax from the earlier year without including in income the amount you repaid in 1998.
- (2) Subtract the tax in (1) from the tax shown on your return for the earlier year. The difference is the amount of your credit.

Fill in the amount of your credit on line 59 of Form 1NPR, and write "Repayment Credit" in the area to the right of line 59.

## ■ Line 60 Homestead credit

*Nonresidents and part-year residents* – don't fill in any amount. Only full-year Wisconsin residents are eligible for homestead credit.

**Note** If you are filing a joint return and one spouse is a full-year Wisconsin resident, the resident spouse may be able to claim homestead credit. Fill in the amount from line 19 of Schedule H on line 60. Attach your completed Schedule H to Form 1NPR.

## ■ Line 61 Farmland tax relief credit

*Nonresidents and part-year residents* – don't fill in any amount. Only full-year Wisconsin residents are eligible for farmland tax relief credit.

**Note** If you are filing a joint return and one spouse is a full-year Wisconsin resident, the resident spouse may be able to claim the farmland tax relief credit.

*Full-year residents* – read the instructions which follow.

You may qualify for the farmland tax relief credit if you meet the following conditions:

1. You are a full-year resident of Wisconsin.
2. You or a member of your household must have been the owner of at least 35 acres of Wisconsin farmland during the 1998 taxable year. Household means an individual, his or her spouse, and all dependents while they are under age 18.

*Line 61 instructions – continued*

3. Your 1997 property taxes for the farmland on which the credit is based must have been paid.

4. The farmland must be in agricultural use. The farm of which the farmland is a part must have produced at least \$6,000 of gross farm profits during 1998 or at least a total of \$18,000 in gross farm profits for 1996, 1997, and 1998 combined. However, if at least 35 acres of your farmland was enrolled in the Conservation Reserve Program during all or part of 1998, you do not have to meet this gross farm profits requirement.

Gross farm profits means gross receipts, excluding rent, from the land's agricultural use, less the cost or other basis of livestock or other items purchased for resale which are sold or otherwise disposed of during the taxable year. Gross farm profits include the fair market value, at the time of disposition, of payments-in-kind received for placing land in federal programs. If you rent out your farmland, the renter's gross profits are used to satisfy this requirement. Gross farm profits do not include the fair market value of crops grown but not sold during the year, fuel tax credits or refund, or a previous year's farmland preservation or farmland tax relief credit.

Only one member of a household may claim the credit. If two or more members of a household each qualify (for example, where a husband and wife have entered into a farm partnership agreement), they must determine between themselves who the claimant will be. If they are unable to agree, the matter may be referred to the Secretary of Revenue, whose decision will be final.

A claimant may be (1) an individual, (2) each member of a partnership (except publicly traded partnerships) having a joint or common interest in land, (3) a shareholder in a tax-option (S) corporation, (4) the vendee under a land contract, or (5) a guardian on behalf of a ward. When farmland is subject to a life estate, the person who has an ownership interest and is operating the farm and paying the property taxes is the owner who may claim the credit.

Fill in the property taxes on your Wisconsin farmland (exclusive of improvements) in the space provided on line 61, but do not fill in more than \$10,000. The credit is based on property taxes levied on your farmland during the 1998 calendar year less any lottery credit. This is your 1998 property tax bill (payable in 1999). You can use up to \$10,000 of property taxes to compute the credit. This includes property taxes on all land which is in agricultural use, less any state aid or credit. Do not include property taxes on any improvements (for example, farm buildings or a residence), special assessments, special charges, or interest.

**Note** Your property tax bill may include property taxes on both the farmland and improvements. Use the following formula to determine the portion of the property taxes attributable only to the land.

If you have more than one property tax bill, apply the formula to each bill separately.

<u>Assessed value of land</u>	Property taxes	Portion of property
Total assessed value of	levied in 1998	taxes to be used
land and improvements	after lottery credit	for the credit
x	=	

If the farmland is co-owned with someone other than a member of your household, use only those taxes on the farmland which reflect your ownership percentage.

If you sold the farmland on which this claim is based during the taxable year, fill in only that portion of the property taxes on the farmland which is allocated to you in the closing agreement pertaining to the sale of the property (use the above formula if improvements are included). If the amount is not set forth in a closing agreement, you may not use any of these taxes in your computation.

## Line 61 instructions – continued

If you purchased the farmland on which this claim is based during the taxable year, fill in the property taxes on the farmland less any amount allocated to the seller in the closing agreement (use the above formula if improvements are included). If the amount is not set forth in a closing agreement, fill in the total taxes on the farmland.

When property is transferred during the claim year by a method other than a sale, such as through gift, divorce, death, bankruptcy, foreclosure, or repossession, the owner of the property on the tax levy date is the owner who may claim the credit. The tax levy date is the date the property tax roll is delivered to the local treasurer for collection, usually in early December of each year.

If the farmland is owned by a tax-option (S) corporation or by a partnership, fill in the amount of property taxes on the farmland (but not more than \$10,000) as reflects the ownership percentage of you and your household. You may have to contact the tax-option (S) corporation or the partnership to get information on the amount of taxes levied on the farmland during 1998.

Fill in the amount of your credit on line 61 of Form 1NPR. The credit is equal to 10% of the property taxes on your farmland up to a maximum credit of \$1,000. (**Caution** If you are claiming farmland preservation credit on line 58, the total of your farmland preservation credit and your farmland tax relief credit cannot exceed 95% of the property taxes on the farm. If your credits exceed this amount, you should reduce your farmland tax relief credit accordingly.)

Attach a copy of your 1998 property tax bill(s) to Form 1NPR. (**Note** If you are also claiming farmland preservation credit or homestead credit on Form 1NPR and have attached a copy of your 1998 property tax bill(s) to your Schedule FC or Schedule H, you do not have to attach an additional copy.) If the farmland on which the credit is based was purchased or sold during the year, only the buyer must attach a copy of the 1998 property tax bill(s); however, both the buyer and seller must attach a copy of the closing agreement relating to the sale. If any of the 1998 property tax bills show unpaid prior year taxes, enclose a statement signed by your county treasurer indicating the date the 1997 property taxes were paid in full.

### ■ Line 63 Amount overpaid

Is line 62 more than line 54? If so, subtract line 54 from line 62 and fill in the difference on line 63. This is the amount you overpaid.

### ■ Line 64 Refund

Fill in on line 64 the amount from line 63 that you want refunded to you. Amounts less than \$1 cannot be refunded.

### ■ Line 65 Amount applied to 1999 estimated tax

Fill in on line 65 the amount, if any, of the overpayment on line 63 you want applied to your 1999 estimated tax.

If you are married filing a joint return, we will apply the amount on line 65 to your joint estimated tax. If you are married filing a separate return, we will apply the amount on line 65 to your separate estimated tax.

### ■ Line 66 Amount you owe

Is line 54 more than line 62? If so, subtract line 62 from line 54 and fill in the difference on line 66. This is the amount you owe with your return. If you owe less than \$1, send in your return but do not pay the tax. If you owe \$1 or more with your return, you can pay by check or money order made payable to the Wisconsin Department

## Line 66 instructions – continued

of Revenue. Write your social security number on your check or money order. Paper clip it to the front of your Form 1NPR.

### **Note** Who must pay estimated tax?

If your 1999 Wisconsin income tax return will show a tax balance due to the department of \$200 or more, you must prepay your 1999 tax in installments beginning April 15, 1999, using Form 1-ES. For example, you may have a tax balance due with your return if you have income from which Wisconsin tax is not withheld. If you don't make required estimated tax payments, you may be charged interest. For more information, contact our Estimated Tax Unit at (608) 266-9941 or any Department of Revenue office.

If you filed Form 1-ES for 1998, you will automatically receive Form 1-ES at the end of January 1999. If you must file Form 1-ES for 1999 and don't receive the form in the mail, contact any Department of Revenue office.

**Sign and date your return** Sign and date your return at the bottom of the page. Form 1NPR is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return. Keep a copy of your return for your records.

**Attachments** Attach the following to Form 1NPR:

- The appropriate copy of each of your withholding statements (Forms W-2, W-2G, 1042S, 1099-G, 1099-R, and 1099-MISC).
- If you owe \$1 or more with your return, paper clip your payment to the front of Form 1NPR.
- Copies of appropriate Wisconsin schedules and supporting documents, such as Schedule H (homestead credit) or Schedule FC (farmland preservation credit).
- A complete copy of your federal return (Form 1040, 1040A, 1040EZ, 1040PC, 1040NR, or 1040NR-EZ or your TeleFile Tax Record) and its supporting schedules and forms. If you itemize deductions on your federal return but do not claim the itemized deduction credit on your Wisconsin return, you do not have to attach federal Schedule A.
- A copy of your federal extension application form or required statement if you are filing under an extension of time to file.
- *Persons divorced after June 20, 1996, who compute a refund* – If your judgment of divorce apportions any tax liability owed to the Department of Revenue to your former spouse, attach a copy of the judgment to your Form 1NPR and write "Divorce decree" in the space below line 54. This will prevent your refund from being applied against such tax liability.
- If you are filing federal Form 8379, Injured Spouse Claim and Allocation, attach a copy to your Wisconsin return and write "Form 8379" in the space below line 54 of Form 1NPR.

**Where to file** Mail your return to the Wisconsin Department of Revenue:

	<i>(if refund or no tax due)</i>	<i>(if Schedule H attached)</i>
P.O. Box 268 Madison, WI 53790-0001	P.O. Box 59 Madison, WI 53785-0001	P.O. Box 34 Madison, WI 53786-0001

**Penalties for not filing returns or filing incorrect returns** If you do not file an income tax return which you are required to file, or if you file an incorrect return due to negligence or fraud, penalties and interest may be assessed against you. The interest rate on delinquent taxes is 18% per year. Civil penalties can be as much as 100% of the amount of tax not reported on the return. Criminal penalties for failing to file or filing a false return include a fine up to \$10,000 and imprisonment.

**Were you audited by the Internal Revenue Service?**

If any of your federal income tax returns were adjusted by the Internal Revenue Service and the adjustments affect your Wisconsin income, a Wisconsin credit, or tax payable, you must notify the department of such adjustments within 90 days after they become final. You must submit a copy of the final federal audit report to the Department of Revenue. Mail the federal audit report to the Wisconsin Department of Revenue, Audit Bureau, P.O. Box 8906, Madison, WI 53708-8906.

**Are you amending your federal return or other state return?**

If you filed an amended return with the Internal Revenue Service or another state and the changes on such return affect your Wisconsin income, a Wisconsin credit, or tax payable, you must file an amended Wisconsin return with the Department of Revenue within 90 days.

**How is an amended return filed?**

If you filed your original return on Form 1NPR and then find that you made an error, fill in another Form 1NPR. Write "amended return" at the top of your corrected Form 1NPR. Fill in lines 1 through 62 using the corrected amounts of your income, deductions, and credits.

Figure the amount to fill in on line 63 or line 66 of your amended Form 1NPR using the worksheet below.

<b>Worksheet to Figure Additional Refund or Additional Amount Owed on Amended Form 1NPR</b>	
1. Fill in amount from line 54, amended Form 1NPR . . . . .	1. _____
2. Fill in refund from line 64, original Form 1NPR (or as adjusted by the department) . . . . .	2. _____
3. Add lines 1 and 2 . . . . .	3. _____
4. Fill in amount from line 62, amended Form 1NPR . . . . .	4. _____
5. Fill in amount paid with your original Form 1NPR plus additional amounts paid (not including interest or penalties) after it was filed . . . . .	5. _____
6. Add lines 4 and 5 . . . . .	6. _____
7. If line 6 is more than line 3, subtract line 3 from line 6. Fill in here and on line 63. This is the amount you overpaid . . . . .	7. _____
8. If line 6 is less than line 3, subtract line 6 from line 3. Fill in here and on line 66. This is the additional tax you owe . . . . .	8. _____
9. Interest on additional tax owed (see instructions below) . . . . .	9. _____
10. Add lines 8 and 9. This is the total tax and interest due. Pay this amount with your amended return . . . . .	10. _____

On line 65, fill in the amount of your overpayment that you want to apply to your 1999 estimated tax. If you file your amended return during 1999, you may increase or reduce this amount. For more information, call the Estimated Tax Unit at (608) 266-9941.

Interest is charged on additional tax owed at the rate of 1% per month from the due date of your return (April 15, 1999). Figure the interest charge on the additional tax you owe. In the area below line 66, write in the amount of interest. Label it "interest charge."

Sign and date your amended return at the bottom of the page. Your spouse must also sign if it is a joint return.

Attach to your amended Form 1NPR an explanation of the changes you made and the reasons for those changes. Also attach a copy of your worksheet showing how you figured your additional refund or addi-

tional amount owed. If you owe an additional amount, attach your check or money order, made payable to the Wisconsin Department of Revenue.

Mail your amended return to the Wisconsin Department of Revenue:

<i>(if tax is due)</i>	<i>(if refund or no tax due)</i>
P.O. Box 268	P.O. Box 8991
Madison, WI 53790-0001	Madison, WI 53708-8991

**Do you qualify for historic rehabilitation credits?**

Any individual who has received certification or approval of a project from the State Historical Society of Wisconsin may be eligible for the credits. Credits attributable to a partnership or tax-option (S) corporation pass through to the partners or shareholders (see Schedule 3K-1 or 5K-1). Credits may also be allocated to beneficiaries of estates and trusts (see Schedule 2K-1).

If you qualify to claim the historic rehabilitation credits, complete Wisconsin Schedule HR. Add the total amount of your historic rehabilitation credits from Schedule HR to the amount which would otherwise be reported on line 42 of Form 1NPR. In the space above line 42, write "HR." Attach Schedule HR and the required certification to Form 1NPR.

**Exception** If you are only claiming historic rehabilitation credits which are passed through from an estate or trust, partnership, or tax-option (S) corporation, you do not have to complete Schedule HR. Add the total historic rehabilitation credits from your Schedule 2K-1, 3K-1, or 5K-1 to the amount which would otherwise be reported on line 42 of Form 1NPR. In the space above line 42, write "HR/K-1." Attach a copy of your Schedule 2K-1, 3K-1, or 5K-1 to your Form 1NPR.

**Note** If you are required to repay all or a portion of a historic rehabilitation credit claimed in a previous year, add the amount you must repay to the amount which would otherwise be reported on line 53 of Form 1NPR. Write the amount of the repayment and the words "Repayment - HRC" next to line 53.

**Do you qualify for development zone credits?**

Special tax credits may be available for persons doing business in Wisconsin development zones.

The Wisconsin Department of Commerce administers the development zone program. Any individual conducting business in a development zone who has been certified by the Department of Commerce may be eligible for the credits. Credits attributable to the business operations of a partnership or tax-option (S) corporation pass through to the partners or shareholders (see Schedule 3K-1 or 5K-1). Credits may also be allocated to beneficiaries of estates and trusts (see Schedule 2K-1).

If you qualify to claim any of the development zone credits, complete Wisconsin Schedule DC.

To claim the development zone credits, add the amount of your development zone credits from Schedule DC to the amount of your married couple credit which would otherwise be reported on line 46 of Form 1NPR. Fill in the total on line 46 of Form 1NPR. In the space to the left of line 46, write "Schedule DC."

**Note** If you are required to recapture development zone investment credit (see Schedule DC), add the increase in tax due to the recapture of the investment credit to the amount which would otherwise be reported on line 53 of Form 1NPR. Write the amount of the recapture and "DC" next to line 53.

**Do you need a copy of your Wisconsin return from a prior year?**

The Department of Revenue will provide copies of your returns for prior years for a fee of \$5.00 per return. Requests must be made in person or in writing. Please call (608) 267-1266 for further information.

## 1998 Standard Deduction Table For Form 1NPR Filers

**Caution** Aliens are generally not permitted to claim the standard deduction. See instructions for line 33a.

If your federal income (line 32 of Form 1NPR) is-		And you are-				If your federal income (line 32 of Form 1NPR) is-		And you are-				If your federal income (line 32 of Form 1NPR) is-		And you are-			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
Your standard deduction is-		Your standard deduction is-				Your standard deduction is-		Your standard deduction is-				Your standard deduction is-		Your standard deduction is-			
<b>0</b>	<b>4,750</b>	5,200	8,900	4,230	7,040	<b>22,000</b>	<b>22,500</b>	3,430	6,477	769	3,719	<b>40,000</b>	<b>40,500</b>	1,270	2,917	0	1,270
<b>4,750</b>	<b>5,000</b>	5,200	8,900	4,205	7,040	<b>22,500</b>	<b>23,000</b>	3,370	6,378	670	3,606	<b>40,500</b>	<b>41,000</b>	1,210	2,818	0	1,210
<b>5,000</b>	<b>5,500</b>	5,200	8,900	4,131	7,040	<b>23,000</b>	<b>23,500</b>	3,310	6,279	571	3,494	<b>41,000</b>	<b>41,500</b>	1,150	2,719	0	1,150
<b>5,500</b>	<b>6,000</b>	5,200	8,900	4,032	7,040	<b>23,500</b>	<b>24,000</b>	3,250	6,181	472	3,381	<b>41,500</b>	<b>42,000</b>	1,090	2,620	0	1,090
<b>6,000</b>	<b>6,500</b>	5,200	8,900	3,933	7,040	<b>24,000</b>	<b>24,500</b>	3,190	6,082	373	3,269	<b>42,000</b>	<b>42,500</b>	1,030	2,522	0	1,030
<b>6,500</b>	<b>7,000</b>	5,200	8,900	3,834	7,040	<b>24,500</b>	<b>25,000</b>	3,130	5,983	274	3,156	<b>42,500</b>	<b>43,000</b>	970	2,423	0	970
<b>7,000</b>	<b>7,500</b>	5,200	8,900	3,736	7,040	<b>25,000</b>	<b>25,500</b>	3,070	5,884	176	3,070	<b>43,000</b>	<b>43,500</b>	910	2,324	0	910
<b>7,500</b>	<b>8,000</b>	5,170	8,900	3,637	6,984	<b>25,500</b>	<b>26,000</b>	3,010	5,785	77	3,010	<b>43,500</b>	<b>44,000</b>	850	2,225	0	850
<b>8,000</b>	<b>8,500</b>	5,110	8,900	3,538	6,871	<b>26,000</b>	<b>26,500</b>	2,950	5,686	0	2,950	<b>44,000</b>	<b>44,500</b>	790	2,126	0	790
<b>8,500</b>	<b>9,000</b>	5,050	8,900	3,439	6,759	<b>26,500</b>	<b>27,000</b>	2,890	5,587	0	2,890	<b>44,500</b>	<b>45,000</b>	730	2,027	0	730
<b>9,000</b>	<b>9,500</b>	4,990	8,900	3,340	6,646	<b>27,000</b>	<b>27,500</b>	2,830	5,488	0	2,830	<b>45,000</b>	<b>45,500</b>	670	1,928	0	670
<b>9,500</b>	<b>10,000</b>	4,930	8,900	3,241	6,533	<b>27,500</b>	<b>28,000</b>	2,770	5,389	0	2,770	<b>45,500</b>	<b>46,000</b>	610	1,829	0	610
<b>10,000</b>	<b>10,500</b>	4,870	8,851	3,142	6,421	<b>28,000</b>	<b>28,500</b>	2,710	5,291	0	2,710	<b>46,000</b>	<b>46,500</b>	550	1,730	0	550
<b>10,500</b>	<b>11,000</b>	4,810	8,752	3,043	6,308	<b>28,500</b>	<b>29,000</b>	2,650	5,192	0	2,650	<b>46,500</b>	<b>47,000</b>	490	1,632	0	490
<b>11,000</b>	<b>11,500</b>	4,750	8,653	2,944	6,196	<b>29,000</b>	<b>29,500</b>	2,590	5,093	0	2,590	<b>47,000</b>	<b>47,500</b>	430	1,533	0	430
<b>11,500</b>	<b>12,000</b>	4,690	8,554	2,846	6,083	<b>29,500</b>	<b>30,000</b>	2,530	4,994	0	2,530	<b>47,500</b>	<b>48,000</b>	370	1,434	0	370
<b>12,000</b>	<b>12,500</b>	4,630	8,455	2,747	5,971	<b>30,000</b>	<b>30,500</b>	2,470	4,895	0	2,470	<b>48,000</b>	<b>48,500</b>	310	1,335	0	310
<b>12,500</b>	<b>13,000</b>	4,570	8,356	2,648	5,858	<b>30,500</b>	<b>31,000</b>	2,410	4,796	0	2,410	<b>48,500</b>	<b>49,000</b>	250	1,236	0	250
<b>13,000</b>	<b>13,500</b>	4,510	8,257	2,549	5,745	<b>31,000</b>	<b>31,500</b>	2,350	4,697	0	2,350	<b>49,000</b>	<b>49,500</b>	190	1,137	0	190
<b>13,500</b>	<b>14,000</b>	4,450	8,158	2,450	5,633	<b>31,500</b>	<b>32,000</b>	2,290	4,598	0	2,290	<b>49,500</b>	<b>50,000</b>	130	1,038	0	130
<b>14,000</b>	<b>14,500</b>	4,390	8,059	2,351	5,520	<b>32,000</b>	<b>32,500</b>	2,230	4,499	0	2,230	<b>50,000</b>	<b>50,500</b>	70	939	0	70
<b>14,500</b>	<b>15,000</b>	4,330	7,961	2,252	5,408	<b>32,500</b>	<b>33,000</b>	2,170	4,401	0	2,170	<b>50,500</b>	<b>51,000</b>	10	840	0	10
<b>15,000</b>	<b>15,500</b>	4,270	7,862	2,153	5,295	<b>33,000</b>	<b>33,500</b>	2,110	4,302	0	2,110	<b>51,000</b>	<b>51,500</b>	0	742	0	0
<b>15,500</b>	<b>16,000</b>	4,210	7,763	2,054	5,183	<b>33,500</b>	<b>34,000</b>	2,050	4,203	0	2,050	<b>51,500</b>	<b>52,000</b>	0	643	0	0
<b>16,000</b>	<b>16,500</b>	4,150	7,664	1,956	5,070	<b>34,000</b>	<b>34,500</b>	1,990	4,104	0	1,990	<b>52,000</b>	<b>52,500</b>	0	544	0	0
<b>16,500</b>	<b>17,000</b>	4,090	7,565	1,857	4,957	<b>34,500</b>	<b>35,000</b>	1,930	4,005	0	1,930	<b>52,500</b>	<b>53,000</b>	0	445	0	0
<b>17,000</b>	<b>17,500</b>	4,030	7,466	1,758	4,845	<b>35,000</b>	<b>35,500</b>	1,870	3,906	0	1,870	<b>53,000</b>	<b>53,500</b>	0	346	0	0
<b>17,500</b>	<b>18,000</b>	3,970	7,367	1,659	4,732	<b>35,500</b>	<b>36,000</b>	1,810	3,807	0	1,810	<b>53,500</b>	<b>54,000</b>	0	247	0	0
<b>18,000</b>	<b>18,500</b>	3,910	7,268	1,560	4,620	<b>36,000</b>	<b>36,500</b>	1,750	3,708	0	1,750	<b>54,000</b>	<b>54,500</b>	0	148	0	0
<b>18,500</b>	<b>19,000</b>	3,850	7,169	1,461	4,507	<b>36,500</b>	<b>37,000</b>	1,690	3,609	0	1,690	<b>54,500</b>	<b>55,000</b>	0	49	0	0
<b>19,000</b>	<b>19,500</b>	3,790	7,071	1,362	4,394	<b>37,000</b>	<b>37,500</b>	1,630	3,510	0	1,630	<b>55,000</b>	<b>55,000 or more</b>	0	0	0	0
<b>19,500</b>	<b>20,000</b>	3,730	6,972	1,263	4,282	<b>37,500</b>	<b>38,000</b>	1,570	3,412	0	1,570						
<b>20,000</b>	<b>20,500</b>	3,670	6,873	1,164	4,169	<b>38,000</b>	<b>38,500</b>	1,510	3,313	0	1,510						
<b>20,500</b>	<b>21,000</b>	3,610	6,774	1,066	4,057	<b>38,500</b>	<b>39,000</b>	1,450	3,214	0	1,450						
<b>21,000</b>	<b>21,500</b>	3,550	6,675	967	3,944	<b>39,000</b>	<b>39,500</b>	1,390	3,115	0	1,390						
<b>21,500</b>	<b>22,000</b>	3,490	6,576	868	3,832	<b>39,500</b>	<b>40,000</b>	1,330	3,016	0	1,330						

WISCONSIN SCHOOL DISTRICT NUMBER

Appearing below is an alphabetical listing of Wisconsin school districts. *Full-year and part-year residents* – refer to this listing and find the number of the district in which you lived on December 31, 1998. If you moved out of Wisconsin during 1998, fill in the number of the school district in which you lived before moving. Fill in this number in the name and address area of your return. Failure to include your school district number may delay the processing of your return and any refund due. *Nonresidents* – don't fill in this line.

The listing is divided into two sections. **SECTION I** lists all districts which operate high schools. **SECTION II** lists those districts which operate schools having only elementary grades.

Your school district will generally be the name of the municipality where the public high school is located which any children at your home would be entitled to attend. However, if such high school is a "union high school," refer to **SECTION II** and find the number of your elementary district.

**Note** If you can't identify your school district, contact your municipal clerk or local school for help.

SECTION I-SCHOOL DISTRICTS OPERATING HIGH SCHOOLS

School District	No.	School District	No.	School District	No.	School District	No.	School District	No.	School District	No.
ABBOTSFORD	0007	CLINTONVILLE	1141	GREENDALE	2296	MCFARLAND	3381	PESHTIGO	4305	STOCKBRIDGE	5614
ADAMS-FRIENDSHIP	0014	COCHRANE-		GREENFIELD	2303	MEDFORD	3409	PEWAUKEE	4312	STOUGHTON	5621
ALBANY	0063	FOUNTAIN CITY	1155	GREEN LAKE	2310	MELLEN	3427	PHELPS	4330	STRATFORD	5628
ALGOMA	0070	COLBY	1162	GREENWOOD	2394	MELROSE-MINDORO	3428	PHILLIPS	4347	STURGEON BAY	5642
ALMA	0084	COLEMAN	1169			MENASHA	3430	PITTSVILLE	4368	SUN PRAIRIE	5656
ALMA CENTER	0091	COLFAX	1176	HAMILTON	2420	MENOMINEE INDIAN	3434	PLATTEVILLE	4389	SUPERIOR	5663
ALMOND-		COLUMBUS	1183	HARTFORD UHS	*	MENOMONEE FALLS	3437	PLUM CITY	4459	SURING	5670
BANCROFT	0105	CORNELL	1204	HAYWARD	2478	MENOMONIE	3444	PLYMOUTH	4473		
ALTOONA	0112	CRANDON	1218	HIGHLAND	2527	MEQUON-		PORTAGE	4501	THORP	5726
AMERY	0119	CRIVITZ	1232	HILBERT	2534	THIENSVILLE	3479	PORT EDWARDS	4508	THREE LAKES	5733
ANTIGO	0140	CUBA CITY	1246	HILLSBORO	2541	MERCER	3484	PORT WASHINGTON-		TIGERTON	5740
APPLETON	0147	CUDAHY	1253	HOLMEN	2562	MERRILL	3484	SAUKVILLE	4515	TOMAH	5747
ARCADIA	0154	CUMBERLAND	1260	HORICON	2576	MIDDLETON-CROSS	3500	POTOSI	4529	TOMAHAWK	5754
ARGYLE	0161			HORTONVILLE	2583	PLAINS	3549	POYNETTE	4536	TOMORROW RIVER	0126
ARROWHEAD UHS	*	D C EVEREST	4970	HOWARD-SUAMICO	2604	MILTON	3612	PRAIRIE DU CHIEN	4543	TRI-COUNTY	4375
ASHLAND	0170	DARLINGTON	1295	HOWARDS GROVE	2605	MILWAUKEE	3619	PRAIRIE FARM	4557	TURTLE LAKE	5810
ASHWAUBENON	0182	DEERFIELD	1309	HUDSON	2611	MINERAL POINT	3633	PRENTICE	4571	TWO RIVERS	5824
ATHENS	0196	DE FOREST	1316	HURLEY	2618	MISHCOT	3661	PRESCOTT	4578		
AUBURNDALE	0203	DELVAN-DARIEN	1380	HUSTISFORD	2625	MONDOVI	3668	PRINCETON	4606	UNION GROVE UHS	*
AUGUSTA	0217	DENMARK	1407			MONONA GROVE	3675	PULASKI	4613	UNITY	0238
		DE PERE	1414	INDEPENDENCE	2632	MONROE	3682				
BALDWIN-WOODVILLE	0231	DE SOTO	1421	IOLA-SCANDINAVIA	2639	MONTELEO	3689	RACINE	4620	VALDERS	5866
BANGOR	0245	DODGELAND	1274	IOWA-GRANT	2646	MONTECELLO	3696	RANDOLPH	4634	VERONA	5901
BARABOO	0280	DODGEVILLE	1428	ITHACA	2660	MOSINEE	3787	RANDOM LAKE	4641	VIROQUA	5985
BARNEVELD	0287	DRUMMOND	1491			MOUNT HOREB	3794	REEDSBURG	4753		
BARRON	0308	DURAND	1499	JANESVILLE	2695	MUKWONAGO	3822	REEDSVILLE	4760	WABENO	5992
BAWFIELD	0315	EAST TROY	1540	JEFFERSON	2702	MUSKEGO-NORWAY	3857	RHINELANDER	4781	WASHBURN	6027
BEAVER DAM	0336	EAST CLARE	1554	JOHNSON CREEK	2730			RIB LAKE	4795	WASHINGTON	6069
BEECHER-DUNBAR-		EDGAR	1561	JUDA	2737	NECEDAH	3871	RICE LAKE	4802	WATERFORD UHS	*
PEMBINE	4263	EDGERTON	1568	KAUKAUNA	2758	NEENAH	3892	RICHLAND	4851	WATERLOO	6118
BELLEVILLE	0350	ELCHO	1582	KENOSHA	2793	NEILLSVILLE	3899	RIO	4865	WATER TOWN	6125
BELMONT	0364	ELEVA-STRUM	1600	KETTLE MORAINE	1376	NEKOOSA	3906	RIPON	4872	WAUKESHA	6174
BELOIT	0413	ELKHART LAKE		KEWASKUM	2800	NEW AUBURN	3920	RIVERDALE	3850	WAUNAKEE	6181
BELOIT TURNER	0422	GLENBEULAH	1631	KEWAUNEE	2814	NEW BERLIN	3925	RIVER FALLS	4893	WAUPACA	6195
BENTON	0427	ELKHORN	1638	KICKAPOO	2814	NEW GLARUS	3934	RIVER RIDGE	4904	WAUPUN	6216
BERLIN	0434	ELK MOUND	1645	KIEL	2828	NEW HOLSTEIN	3941	RIVER VALLEY	5523	WAUSAU	6223
BIG FOOT UHS	*	ELLSWORTH	1659	KIMBERLY	2835	NEW LISBON	3948	ROSENDALE		WAUSAUKEE	6230
BIRCHWOOD	0441	ELMBROOK	1659	KOHLER	2842	NEW LONDON	3955	BRANDON	4956	WAUTOMA	6237
BLACK HAWK	2240	ELMWOOD	1666	LA CROSSE	2849	NEW RICHMOND	3962	ROSHOLT	4963	WALWATOSA	6244
BLACK RIVER FALLS	0476	ELROY-KENDALL-		LADYSMITH-HAWKINS	2856	NIAGARA	3969			WALZEKA-STUEBEN	6251
BLAIR-TAYLOR	0485	WILTON	1673	LA FARGE	2863	NICOLET UHS		SAINT CROIX		WEBSTER	6293
BLOOMER	0497	EVANSVILLE	1694	LAKE GENEVA-		NORRIS	3976	CENTRAL	2422	WEST ALLIS	6300
BONDUEL	0602	FALL CREEK	1729	GENOA CITY UHS	*	NORTH CRAWFORD	2016	SAINT CROIX FALLS	5019	WEST BEND	6307
BOSCOBEL AREA	0609	FALL RIVER	1736	LAKE HOLCOMBE	2891	NORTH FOND DU LAC	3983	SAINT FRANCIS	5026	WESTBY	6321
BOWLER	0623	FENNIMORE	1813	LAKELAND UHS	*	NORTHERN OZAUKEE	1945	SAUK PRAIRIE	5100	WEST DE PERE	6328
BOYCEVILLE	0637	FLAMBEAU	5757	LAKE MILLS	2898	NORTHLAND PINES	1526	SENECA	5124	WESTFIELD	6335
BRILLION	0658	FLORENCE	1855	LANCASTER	2912	NORTHWOOD	3654	SEVASTOPOL	5130	WESTON	6354
BRODHEAD	0700	FOND DU LAC	1862	LAONA	2940	NORWALK-ONTARIO	3990	SEYMOUR	5138	WEST SALEM	6370
BROWN DEER	0721	FORT ATKINSON	1883	LENA	2961	OAK CREEK-		SHAWANO-GRESHAM	5264	WEYAUWEGA-	
BRUCE	0735	FRANKLIN	1900	LITTLE CHUTE	3129	FRANKLIN	4018	SHEBOGAN	5271	FREMONT	6384
BURLINGTON	0777	FREDERIC	1939	LODI	3150	OAKFIELD	4025	SHEBOGAN FALLS	5278	WEYERHAEUSER	6410
BUTTERNUT	0840	FREEDOM	1953	LOMIRA	3171	OCONOMOWOC	4060	SHELL LAKE	5306	WHITEFISH BAY	6419
				LUCK	3206	OCONTO	4067	SHIOCTON	5348	WHITEHALL	6426
CADOTT	0870			LUK	3213	OCONTO FALLS	4074	SHOREWOOD	5355	WHITE LAKE	6440
CAMBRIA-FRIESLAND	0882	GALESVILLE-ETTRICK-		LUXEMBURG-CASCO	3220	OMRO	4088	SHULLSBURG	5362	WHITEWATER	6461
CAMBRIDGE	0896	TREMPEALEAU	2009			ONALASKA	4095	SIREN	5376	WHITNALL	6470
CAMERON	0903	GERMANTOWN	2058	MADISON	3269	OOSTBURG	4137	SLINGER	5390	WILD ROSE	6475
CAMPBELLSPORT	0910	GIBRALTAR	2114	MANAWA	3276	OREGON	4144	SOLOM SPRINGS	5397	WILLIAMS BAY	6482
CASHTON	0980	GILLET	2128	MANITOWOC	3290	OSECOLA	4165	SOMERSET	5432	WILMOT UHS	*
CASSVILLE	0994	GILMAN	2135	MAPLE	3297	OSKOSH	4179	SOUTH MILWAUKEE	5439	WINNECONNE	6608
CEDARBURG	1015	GILMANTON	2142	MARATHON CITY	3304	OSKOSH-FAIRCHILD	4186	SOUTH SHORE	4522	WINTER	6615
CEDAR GROVE-		GLENWOOD CITY	2198	MARINETTE	3311	OWEN-WITHEE	4207	SOUTHERN DOOR	5457	WISCONSIN DELLS	6678
BELGIUM	1029	GLIDDEN	2205	MARION	3318			SOUTHWESTERN		WISCONSIN HEIGHTS	0469
CENTRAL-WESTOSHA		GOODMAN-		MARKESAN	3325	PALMYRA-EAGLE	4221	WISCONSIN	2485	WISCONSIN RAPIDS	6685
CHETEK	1078	ARMSTRONG	2212	MARSHALL	3332	PARDDEVILLE	4228	SPARTA	5460	WITTENBERG-	
CHILTON	1085	GRAFTON	2217	MARSHFIELD	3339	PARK FALLS	4242	SPENCER	5467	BIRNAMWOOD	6692
CHIPPEWA FALLS	1092	GRANTON	2226	MAUSTON	3360	PARKVIEW	4151	SPOONER	5474	WONEWOC-UNION	
CLAYTON	1120	GRANTSBURG	2233	MAYVILLE	3367	PECATONICA	0490	SPRING VALLEY	5586	CENTER	6713
CLEAR LAKE	1127	GREEN BAY	2289			PEPIN	4270	STANLEY-BOYD	5593	WRIGHTSTOWN	6734
CLINTON	1134							STEVENS POINT	5607		

\*This is a "Union High School" district. Refer to Section II of this listing and determine the number of your elementary school district.

SECTION II-SCHOOL DISTRICTS OPERATING ONLY ELEMENTARY SCHOOLS

BOULDER JCT, JT #1	0616	GENOA CITY, JT #2	2051	LAKE COUNTRY	3862	NORTH CAPE	4690	SALEM, #7	5061	WASHINGTON-	
BRIGHTON, #1	0657	GLENDA-LE		LAKE GENEVA, JT #1	2885	NORTH LAKE	3514	SALEM, JT #2	5068	CALDWELL	6104
BRISTOL, #1	0685	RIVER HILLS	2184	LINN, JT #4	3087	NORWAY, JT #7	4011	SHARON, JT #11	5258	WATERFORD, JT #1	6113
DOVER, #1	1449	HARTFORD, JT #1	2443	LINN, JT #6	3094	PARIS, JT #1	4235	SILVER LAKE, JT #1	5369	HEATLAND, JT #1	6412
ERIN	1687	HARTLAND-		MAPLE DALE-		RANDALL, JT #1	4627	STONE BANK	3542	WILMOT GRADE	5075
FONTANA, JT #3	1870	LAKESIDE, JT #3	2460	INDIAN HILL	1897	RAYMOND, #14	4686	SWALLOW	3510	WOODRUFF, JT #1	6720
FOX POINT, JT #2	1890	HERMAN, #22	2523	MERTON COMMUNITY	3528	RICHFIELD, JT #1	4820	TWIN LAKES, #4	5817	YORKVILLE, JT #2	6748
FRIESS LAKE	4843	LAC DU		MINOCQUA, JT #1	3640	RICHMOND	3122	UNION GROVE, JT #1	5859		
GENEVA, JT #4	2044	FLAMBEAU, #1	1848	NEOSHO, JT #3	3913	RUBICON, JT #6	4998	WALWORTH, JT #1	6022		

The listing has the names of the school districts only to help you find your district number. Don't write in the name of your school district or the name of any specific school. Fill in only your school district's number on the school district line in the name and address area of your return. For example:

1. If you lived in the city of Milwaukee, you will fill in the number 3619 on the school district line.
2. If you lived in the city of Hartford, you would refer to **SECTION II** and find the number 2443, which is the number for Jt. No. 1 Hartford elementary district.

The following are other factors to consider in determining your school district number:

1. If you lived in one school district but worked in another, fill in the district number where you lived.
2. If you were temporarily living away from your permanent home, fill in the district number of your permanent home.